



Hong Kong Covering Document - April 2023

# JPMorgan China Sector Rotation Fund

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Mainland-Hong Kong Mutual Recognition of Funds



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Fund Manager: JPMorgan Asset Management (China) Company Limited

Main Distributor in Hong Kong: JPMorgan Funds (Asia) Limited

**J.P.Morgan**  
ASSET MANAGEMENT

**JPMorgan China Sector Rotation Fund**  
**(formerly known as “CIFM China Sector Rotation Fund”)**

a fund established pursuant to  
a Fund Contract taking effect from 28 January 2010 (and as amended from time to time)  
between the Fund Manager and the Fund Custodian  
and regulated under the *Securities Investment Funds Law* of the *People’s Republic of China*

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**HONG KONG COVERING DOCUMENT**

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**This document (herein the “Hong Kong Covering Document”) is supplemental to, forms part of and should be read in conjunction with the prospectus for JPMorgan China Sector Rotation Fund (the “Fund”) (as amended from time to time) (the “Prospectus”) and the Product Key Facts Statement of the Fund. Unless otherwise provided in this Hong Kong Covering Document, terms defined in the Prospectus shall have the same meaning in this Hong Kong Covering Document.**

**April 2023**

## IMPORTANT INFORMATION FOR INVESTORS

**If you are in doubt about the contents of the Prospectus, this Hong Kong Covering Document or the Product Key Facts Statement, you should consult your bank manager, legal adviser, accountant or other independent financial adviser.**

JPMorgan Asset Management (China) Company Limited, the Fund Manager of the Fund, accepts full responsibility for the accuracy of the information contained in the Prospectus, this Hong Kong Covering Document and the Product Key Facts Statement of the Fund, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in these documents misleading. However, neither the delivery of the Prospectus, this Hong Kong Covering Document or the Product Key Facts Statement of the Fund nor the offer or issue of units shall under any circumstances constitute a representation that the information contained therein is correct as of any time subsequent to the date of publication. These documents may from time to time be updated.

The Fund is an open-ended contract-type investment fund established under a Fund Contract taking effect from 28 January 2010 (and as amended from time to time) between the Fund Manager and the Fund Custodian. The Fund has been registered with and is subject to the on-going supervision of the China Securities Regulatory Commission (“**CSRC**”).

The Fund has been authorised by the Securities and Futures Commission (“**SFC**”) in Hong Kong under Section 104 of the Securities and Futures Ordinance of Hong Kong (“**SFO**”) and is available for sale to the public in Hong Kong. Such authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

This Hong Kong Covering Document and the Product Key Facts Statement of the Fund are prepared for distribution in Hong Kong only. These documents contain additional details of the Fund in connection with its authorisation for distribution in Hong Kong and must be read in conjunction with the Fund’s latest available Prospectus.

**Units are offered only on the basis of the information contained in the Prospectus, this Hong Kong Covering Document and the Product Key Facts Statement, which are valid only if accompanied by a copy of the latest annual report and, if published thereafter, the latest half-yearly and quarterly report.**

In particular:

### United States

The Fund has not been registered under the United States (the “**US**”) Securities Act, as amended, (the “**Act**”) or under any similar or analogous provision of law enacted by any jurisdiction in the US. The units may not be offered or sold to any US Person unless the Fund Manager, at its absolute discretion, grants an exception. For this purpose, a US Person is one falling under the definition of US Person under the Act, under the Interpretive Guidance and Policy Statement Regarding Compliance with Certain Swap Regulations of the Commodities Futures Trading Commission, as amended, or under

the US Internal Revenue Code (“**IRC**”) as specified below or under the US federal income tax law (as described below under paragraphs 1 through 4), or a non-US entity with certain US owners (as described below under paragraph 5):

1. An individual who is a citizen of the US or a resident alien for US federal income tax purposes. In general, the term “**resident alien**” is defined for this purpose to include any individual who (i) holds an Alien Registration Card (a “**green card**”) issued by the US Citizenship and Immigration Services or (ii) meets a “**substantial presence**” test. The “**substantial presence**” test is generally met with respect to any calendar year if (i) the individual was present in the US on at least 31 days during such year and (ii) the sum of the number of days in which such individual was present in the US during such year, 1/3 of the number of such days during the first preceding year, and 1/6 of the number of such days during the second preceding year, equals or exceeds 183 days;
2. A corporation, an entity taxable as a corporation, or a partnership, created or organized in or under the laws of the US or any state or political subdivision thereof or therein, including the District of Columbia (other than a partnership that is not treated as a US person under Treasury Regulations);
3. An estate the income of which is subject to US federal income tax regardless of the source thereof;
4. A trust with respect to which a court within the US is able to exercise primary supervision over its administration and one or more US persons have the authority to control all of its substantial decisions, or certain electing trusts that were in existence on August 20, 1996 and were treated as domestic trusts on August 19, 1996; or
5. A Passive Non-Financial Foreign Entity (“**Passive NFFE**”) with one or more “**Controlling Persons**” (within the meaning of any Intergovernmental Agreement relating to the Foreign Account Tax Compliance Act (as set forth in Sections 1471 through 1474 of the IRC (“**FATCA**”)) that may be entered into by the US and any other jurisdiction (“**IGA**”)) that is a US Person (as described above under paragraph 1). A Passive NFFE is generally a non-US and non-financial institution entity that is neither a “**publicly traded corporation**” nor an “**active NFFE**” (within the meaning of the applicable IGA).

## **THE CHINA-HONG KONG MUTUAL RECOGNITION OF FUNDS (“MRF”)**

On 22 May 2015, the SFC and the CSRC signed a “*Memorandum of Regulatory Cooperation concerning Mutual Recognition of Funds between the Mainland and Hong Kong*” (the “**Memorandum**”). The Memorandum provides a framework for mutual recognition of publicly offered funds between the CSRC and the SFC so that these recognised funds may be offered to the public in both markets.

Under the MRF framework, securities investment funds regulated by the CSRC and offered for sale to the public in Mainland China (i.e. the People’s Republic of China, which for the purpose of this Hong Kong Covering Document excludes Hong Kong, Macau and Taiwan) may be authorised by the SFC and offered to the public in Hong Kong, subject to any additional requirements imposed by the SFC.

The Fund is registered with and regulated by the CSRC and has been authorised by the SFC under the SFO pursuant to the terms of the MRF. Pursuant to the terms of the MRF, the Fund operates under the following principles:

- a) the Fund meets the prevailing eligibility requirements released by the SFC;
- b) the Fund remains registered with the CSRC and is allowed to be marketed to the public within Mainland China;
- c) the Fund generally operates and is managed in accordance with the relevant laws and regulations in Mainland China and its constitutive documents (i.e. the Fund Contract);
- d) the sale and distribution of the Fund in Hong Kong shall comply with the applicable laws and regulations in Hong Kong;
- e) the Fund will comply with the additional rules released by the SFC governing the authorisation, post-authorisation and ongoing compliance, and the sale and distribution of the Fund in Hong Kong; and
- f) during the period the Fund remains authorised by the SFC, the Fund Manager shall ensure Unitholders of both Mainland China and Hong Kong receive fair and the same treatment, including in respect of investor protection, exercise of rights, compensation and disclosure of information.

The Fund Manager confirms that Unitholders of both Mainland China and Hong Kong will receive fair and the same treatment pursuant to (f) above.

The Fund is a MRF fund which is subject to the following eligibility requirements:

- a) the Fund is an eligible fund type under the MRF;
- b) the Fund is established and managed and operates in accordance with Mainland China laws and regulations and its constitutive documents;
- c) the Fund is a publicly offered securities investment fund registered with the CSRC under the *Securities Investment Funds Law of the People's Republic of China*;
- d) the Fund has been established for more than 1 year;
- e) the Fund has a minimum fund size of not less than RMB 200 million or its equivalent in a different currency;
- f) the Fund does not primarily invest in the Hong Kong market; and
- g) the value of units in the Fund sold to investors in Hong Kong shall not be more than 50% of the value of the Fund's total assets.

The Fund Manager is registered and operates in Mainland China in accordance with Mainland China laws and regulations and is licensed by the CSRC to manage publicly offered securities investment funds.

The Fund Custodian is qualified to act as custodian for publicly offered securities investment funds pursuant to Mainland China laws and regulations.

Following SFC authorisation, if the Fund ceases to meet the requirements prescribed by the SFC from time to time, the Fund Manager shall notify the SFC immediately whereupon the Fund may not continue to be marketed to the public in Hong Kong and may not accept new subscriptions.

Investors should note that, when the value of units in the Fund sold to investors in Hong Kong is approaching the 50% limit mentioned in sub-paragraph (g) above, the Fund should notify the SFC in writing immediately, and suspend subscription or apply a fair arrangement to apportion subscription orders until the 50% limit is reached. Moreover, all MRF funds (including the Fund) are subject to an overall quota restriction. Once the quota is used up, the Fund may have to suspend for subscription. In these circumstances, there is a risk that Hong Kong investors may not be able to subscribe for the number of units they desire (or not able to subscribe for any units at all). For the avoidance of doubt, even if the 50% limit is reached or the quota is used up, Hong Kong investors can continue to hold their existing units in the Fund and such units will not be compulsorily redeemed.

## **HONG KONG REPRESENTATIVE**

The Hong Kong Representative is JPMorgan Funds (Asia) Limited. The Hong Kong Representative has been appointed by the JPMorgan Asset Management (China) Company Limited in accordance with the Code on Unit Trusts and Mutual Funds. The fees (if any) of the Hong Kong Representative are borne by the Fund Manager.

### Contact details of the Hong Kong Representative:

Address: 19/F Chater House, 8 Connaught Road Central, Hong Kong

Telephone: (852) 2978 7788

## **SERVICE RENDERED TO UNITHOLDERS**

Without prejudice to the principle of equal treatment for Mainland China and Hong Kong investors, some of the services mentioned in the Prospectus may not be available to Hong Kong investors (for example, information relating to Class A Units which will not be offered to Hong Kong investors, the sub-section headed “**(I) Sales Institutions of Fund**” in the section headed “**V. Relevant Service Institutions**”, the services set out in the section headed “**XX. Service to Unitholders**” of the Prospectus. Hong Kong investors should check with local authorised distributors for further details. Different authorised distributors may provide different types of services associated with investment in the Fund. Please check with the respective authorised distributors for details.

## **ENQUIRIES AND COMPLAINTS**

Investors may contact the Hong Kong Representative for any queries or complaints in relation to the Fund at the Hong Kong Representative’s address or by phone as set out in the section headed “**Hong Kong Representative**”.

In respect of a general enquiry or complaint, the Hong Kong Representative will revert to the relevant investor within five Hong Kong Dealing Days of receipt in writing. Enquiries and complaints will be handled on a case by case basis.

## **FURTHER INFORMATION**

Investors may access the website of the Hong Kong Representative at [www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/) for further information on the Fund, including the offering documents, the financial reports, notices, latest Net Asset Value per Unit and the composition of distributions. This website has not been reviewed by the SFC.

## **SCHEMES NOT AUTHORISED BY SFC**

In relation to fund(s) as set out in the Hong Kong offering documents (including the CSRC registered Prospectus, the Hong Kong Covering Document and the Product Key Facts Statement), only the following funds are authorised by the SFC for offering to the public in Hong Kong pursuant to section 104 of the SFO.

- (a) JPMorgan China Sector Rotation Fund
- (b) JPMorgan China Multi-Assets Fund

**Warning:** Please note that the other fund(s) mentioned in the Hong Kong offering documents (including the CSRC registered Prospectus, the Hong Kong Covering Document and the Product Key Facts Statement) may not be authorised by the SFC for offering to the public in Hong Kong. It is an offence to offer any of these funds which have not been authorised by the SFC to the public in Hong Kong unless an exemption under section 103 of the SFO applies. Intermediaries should take note of this.

## **CLASSES OF UNITS FOR HONG KONG INVESTORS**

Only Class H Units are available to Hong Kong investors. Hong Kong investors should pay attention to the details and specific features of such Class H Units as disclosed in this Hong Kong Covering Document. If there are inconsistencies with the Prospectus concerning any information about Class H Units, the disclosure in this Hong Kong Covering Document shall prevail.

Class H Units are denominated in Renminbi (“RMB”). The initial value of Class H Units will be set at the Net Asset Value of Class A Units on the first subscription date of Class H Units.

The Net Asset Value per Unit for Class H Units is calculated after the market closes by dividing the Net Asset Value attributable to Class H Units by the total number of Class H Units on the relevant Hong Kong Dealing Day.

Dealing in Class H Units will be in accordance with the procedures set out below under “**Dealing and Settlement Procedures in Hong Kong**”.

## CHANGES AND NOTIFICATION

Changes to the Fund will be made in accordance with the applicable Mainland China laws and regulations and the provisions of the Fund's constitutive documents. Such changes shall be effective upon approval by the CSRC or compliance with the appropriate procedures in Mainland China, and thereafter, the changes shall be submitted to the SFC for filing. Changes that relate to the eligibility of the Fund under the MRF arrangement will generally require prior approval from the SFC (e.g. changes in the investment objectives, strategies and key operators of the Fund). Changes affecting Hong Kong investors only (e.g. change of Hong Kong Representative) may be subject to prior approval from the SFC pursuant to applicable requirements under the Code. Unitholders will be notified of the changes pursuant to applicable regulatory requirements. In general, notices (in both English and traditional Chinese) in relation to changes that affect Hong Kong investors will be posted on the Hong Kong Representative's website at [www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/). This website has not been reviewed by the SFC.

The Fund Manager shall take reasonable steps and measures to ensure ongoing disclosure of information of the Fund shall be made available to Mainland Chinese investors and Hong Kong investors at the same time, except for any notice to Mainland Chinese investors which is issued only in respect of class(es) of Units of the Fund not available in Hong Kong and not relevant to Hong Kong investors, or relate solely to issues that have no impact on Hong Kong investors.

## INVESTMENT OBJECTIVES AND STRATEGIES

Investors' attention is drawn to the investment objectives, strategies and other details on the Fund's investments in the section headed "**VIII. Investments of the Fund**" in the Prospectus and the Product Key Facts Statement.

For clarification, notwithstanding the disclosure in the Prospectus, the Fund will use financial derivative instruments for hedging purposes only. Should this intention change in the future, prior regulatory approval will be sought and at least 1 month's prior notice will be given to investors.

The Fund's investments will be made in the Mainland market only.

The Fund may invest up to 40% of its Net Asset Value in bonds which may include asset-backed securities and urban investment bonds.

The Fund currently only invests in debt securities rated BBB- or above by a Mainland Chinese credit rating agency at the time the investments were made. Where the credit ratings of the relevant debt securities are downgraded to below BBB-, the Fund Manager will, having regard to the interests of the investors, seek to dispose of all such downgraded debt securities in a gradual and orderly manner in light of the then prevailing market conditions.

The total extent of leverage of the Fund will not exceed 40% of the Fund's Net Asset Value and will be by way of repurchase transactions only.



## **ADDITIONAL DISCLOSURE ON SECURITIES LENDING AND/OR REPURCHASE TRANSACTIONS**

The Fund does not currently intend to engage in securities lending. Prior regulatory approval will be sought and at least one month's prior notice will be given to Unitholders in Hong Kong if there is a change in this policy. Provided that the minimum investment requirements for meeting the Fund's investment objectives and strategy and other applicable regulatory requirements are complied with, the Fund may enter into repurchase transactions and reverse repurchase transactions for up to 40% of the Fund's Net Asset Value on both the exchange market and in the interbank market.

### **(A) Exchange Market**

In respect of repurchase / reverse repurchase transactions carried out on the exchange market in Mainland China, all such transactions are centrally cleared and settled with the China Securities Depository and Clearing Corporation Limited (“**CSDCCL**”) which in effect, acts as the sole counterparty to such transactions.

Where the Fund enters into a repurchase transaction, the Fund will receive cash (i.e. borrow cash) and provide collateral which will be placed under custody of the CSDCCL.

With respect to a reverse repurchase transaction, the Fund will pay cash (i.e. lend out cash) to CSDCCL and is subject to counterparty risk of CSDCCL. Collateral provided by the counterparty borrowing cash is placed under the custody to and in favour of the CSDCCL.

The stock exchanges determine the types of bonds which may be used by counterparties as collateral. In general, collateral may include government bonds and/or corporate bonds with a credit rating of AA or above as rated by a Mainland Chinese credit rating agency. The stock exchanges also apply prescribed haircut rates for different types of bonds. The collateral is marked to market daily to ensure the value of collateral is greater than or equal to the value of such repurchase/reverse repurchase transactions. Where the value of collateral falls below the secured amount, the relevant participant participating in the relevant transaction is required to deliver additional cash or collateral, failing which the CSDCCL has the right to dispose of the existing collateral securities and collect any outstanding amount from the defaulting participant. The Fund may enter into either pledged repurchase / reverse repurchase transactions or “**buy-out**” repurchase / reverse repurchase transactions in the exchange market. For pledged repurchase / reverse repurchase transactions, ownership of the collateral will not be transferred to the other party but rather the collateral will be under custody in a specific pledge account of the CSDCCL until repayment of the cash lent. For “**buy-out**” repurchase / reverse repurchase transactions, the ownership of the collateral will be transferred to the buyer at inception, and transferred back to the seller upon repayment of the cash lent.

### **(B) Interbank Market**

Where the Fund carries out repurchase / reverse repurchase transactions in the interbank market in Mainland China, the Fund Manager will select the counterparties for such transactions based on their business nature, size, reputation, financial standing and track record, etc.

In a repurchase transaction, the Fund will receive cash (i.e. borrow cash) and pledge collateral which will be received by and kept under custody of Shanghai Clearing House Co., Ltd. (“**SCH**”) or China Central Depository & Clearing Co., Ltd. (“**CCDC**”).

With respect to a reverse repurchase transaction, the Fund will pay cash (i.e. lend out cash) and the collateral pledged by the counterparty borrowing cash will be received by and kept under custody of SCH or CCDC on behalf of the Fund.

Where the Fund enters into reverse repurchase transactions in the interbank market, collateral acceptable to the Fund may include cash, as well as, government bonds, local government bonds, central bank bills, commercial bank bonds, non-bank financial institution bonds, corporate bonds, commercial papers, and/or mid-term notes with a credit rating of AA or above as rated by a Mainland Chinese credit rating agency. Collateral acceptable to the Fund should also comply with the applicable rules and regulations. The Fund Manager will adopt a prudent haircut policy for the collateral which will take into account factors such as credit ratings and quality of the bond. Unlike the repurchase / reverse repurchase transaction conducted on exchange market, the collateral will not be marked to market daily. Under normal circumstances, the Fund Manager will aim to enter into such transactions with relatively short term in order to mitigate the market risk on collateral taken. The Fund will only enter into pledged repurchase / reverse repurchase transactions (i.e. ownership of the collateral will not be transferred to the other party but rather the collateral will be in the custody of the relevant securities clearing company until a repayment of the cash lent is made) on the interbank market.

For repurchase transactions, the cash proceeds received by the Fund may be used for liquidity management and/or reinvestment, at the discretion of the Fund Manager. Given that the collateral received from reverse repurchase transactions will be placed under custody of CSDCCL, SCH or CCDC, the Fund will not use them as collateral for other repurchase transactions, or to acquire cash for liquidity management and/or reinvestment.

Any incremental income generated will be credited to the account of the Fund after deducting any fees charged by parties such as custodian bank, international clearing organisations or agents operating or administering such transactions. The repurchase / reverse repurchase transactions may be carried out through the Fund Manager, the Fund Custodian or their connected persons, and in such case each of the parties (as the case may be) shall be entitled to retain a fee on a commercial basis, provided that all transactions shall be effected at arm's length and on best available terms (i.e. the fee shall be no greater than the prevailing market rates for a transaction of the same scale and nature) and periodic disclosure on such fees payable to the relevant connected person(s) is made in the Fund's annual reports.

## **RISK FACTORS**

**Investors should refer to the section headed “XVI. Risk Disclosures” in the Prospectus as are relevant to investment in the Fund and the following additional information in respect of the risks associated with investing in the Fund:**

### **1. Investment risk**

- The Fund is an investment fund. There is no guarantee of the repayment of principal. There is also no guarantee of dividend or distribution payments during the period investors hold the units of the Fund. Further, there is no guarantee that the Fund will be able to achieve its investment objectives and there can be no assurance that the stated strategies can be successfully implemented. Investors may lose entire amount originally invested under extreme circumstances.

## **2. Risks associated with the MRF arrangement**

- *Quota restrictions:* The Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme is subject to an overall quota restriction. Subscription of units in the Fund may be suspended at any time if such quota is used up.
- *Failure to meet eligibility requirements:* If the Fund ceases to meet any of the eligibility requirements under the MRF, it may not be allowed to accept new subscriptions. In the worst scenario, the SFC may even withdraw its authorisation for the Fund to be publicly offered in Hong Kong for breach of eligibility requirements. There is no assurance that the Fund can satisfy these requirements on a continuous basis.
- *Mainland China tax risk:* Currently, certain tax concessions and exemptions are available to the Fund and/or its investors under the MRF regime. There is no assurance that such concessions and exemptions or Mainland China tax laws and regulations will not change. Any change to the existing concessions and exemptions as well as the relevant laws and regulations may adversely affect the Fund and/or its investors and they may suffer substantial losses as a result.
- *Different market practices:* Market practices in the Mainland China and Hong Kong may be different. In addition, operational arrangements of the Fund and other public funds offered in Hong Kong may be different in certain ways. For example, subscriptions or redemption of units of the Fund may only be processed on a day when both Mainland China and Hong Kong markets are open, or it may have different cut-off times or dealing day arrangements versus other SFC-authorized funds. Investors should ensure that they understand these differences and their implications.

## **3. Concentration risk / Mainland China market risk**

- The Fund invests primarily in securities related to the Mainland China market and may be subject to additional concentration risk. Investing in the Mainland China market may give rise to different risks including political, policy, tax, economic, foreign exchange, legal, regulatory and liquidity risks.

## **4. RMB currency and conversion risks**

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- 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 (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.
- Investors may not receive RMB upon redemption of investments and/or dividend payment or such payment may be delayed due to the exchange controls and restrictions applicable to RMB.

- The Fund and Class H Units are both denominated in Chinese Yuan (CNY). For investors who need to convert into RMB before subscribing the Class H Units, the exchange rate for the offshore RMB market in Hong Kong (i.e. the CNH exchange rate) may be at a premium or discount to the CNY rate (i.e. the exchange rate for the onshore RMB market in the Mainland China).

## 5. **Mainland China equity risk**

- *Market risk:* The 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.
- *Volatility risk:* High market volatility and potential settlement difficulties in the Mainland China equity 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 Fund.
- *Policy risk:* 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 Fund.
- *Risk associated with small-capitalisation / mid-capitalisation companies:* The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.
- *High valuation risk:* There is a risk that the stocks listed on the Mainland China stock exchanges, in particular the ChiNext and STAR Board stocks, may have a higher price-earnings ratio. The high valuation may not be sustainable and stock prices may fall drastically.
- *Liquidity risk:* Securities markets in Mainland China may be less liquid than other developed markets. Mainland China equities are subject to the risks of government intervention such as suspension of trading and trading band limits. This may result in the fluctuation in the prices and illiquidity of Mainland China equities. The Fund may suffer substantial losses if it is not able to dispose of its investment in Mainland China equities at a time it desires.

## 6. **Mainland debt securities risk**

- *Volatility and liquidity risks:* The Mainland China debt securities markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations.
- *Counterparty risk:* The Fund is exposed to the credit/default risk of issuers of the debt securities that the Fund may invest in.
- *Interest rate risk:* Investment in the 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.

- *Downgrading risk:* The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Fund may be adversely affected. The Fund Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- *Credit rating agency risk:* The credit appraisal system in Mainland China and the rating methodologies employed in 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.
- *Risk associated with urban investment bonds:* The Fund may invest in urban investment bonds. Urban investment bonds are issued by local government financing vehicles (“LGFVs”), such bonds are typically not guaranteed by local governments or the central government of Mainland China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Fund could suffer substantial loss and the Net Asset Value of the Fund could be adversely affected.
- *Risk associated with asset-backed securities:* The Fund may invest in asset-backed securities (including asset-backed commercial papers) which may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

#### **7. Substantial redemption risk**

- Substantial redemptions may require the Fund Manager to liquidate investments of the Fund rapidly which would adversely affect the Net Asset Value of the Fund, and may result in suspension or delay in redemption process in the worst case. Pursuant to Mainland China regulations, the payment of proceeds of redemption may be deferred by not more than 20 Business Days, where a situation of continuous substantial redemption occurs.

#### **8. Distribution out of capital risk**

- The payment of distributions out of accrued net distributable income carried over from the previous financial year(s) amounts to distributions out of capital under Hong Kong regulatory disclosure requirements. Investors should note that the payment of distributions out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any distributions involving payment of dividends out of capital of the class will result in an immediate decrease in the Net Asset Value per unit of the relevant units.

#### **9. Risks relating to repurchase / reverse repurchase transactions**

- The Fund Manager may enter into repurchase transactions for the account of the Fund. The Fund may suffer substantial loss as there may be delay and difficulties in recovering collateral placed with the counterparty or the cash originally received may be less than the collateral placed with the counterparty due to inaccurate and inadequate valuation of the collateral and market movements upon default of the counterparty.

- The Fund Manager may also enter into reverse repurchase transactions for the account of the Fund. The collateral placed under the reverse repurchase transactions in the interbank market may not be marked to market. Besides, the Fund may suffer substantial loss when engaging in reverse repurchase transactions as there may be delay and difficulties in recovering the cash placed out or realizing the collateral, or proceeds from the sale of collateral may be less than the cash placed with the counterparty due to inaccurate and inadequate valuation of the collateral and market movements upon default of the counterparty.

#### 10. **Taxation and FATCA risk**

- Investors should note specific uncertainty in tax position and tax risks relating to potential tax liabilities on income and gains that arise from investing in, holding or disposing of units in the Fund. Changes in tax regulations and/or tax provisioning policy of the Fund may only impact investors remaining in the Fund. Investors who have sold or redeemed their units prior to such change may not be impacted. Investors may be advantaged or disadvantaged depending upon whether and how the capital gains arising from the redemption of units and distributions from the Fund will ultimately be taxed and when the investors invest in the Fund. There are certain risks relating to the Mainland China tax regime and FATCA, as further described in the section headed “**Taxation**” of this document.

#### 11. **Risks associated with the ChiNext market and/or the Science and Technology Innovation Board (STAR Board)**

- *Higher fluctuation on stock prices and liquidity risk:* Listed companies on the ChiNext market and/or STAR Board are usually of emerging nature with smaller operating scale. In particular, listed companies on STAR Board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity risks and have higher risks and turnover ratios than companies listed on the main board.
- *Over-valuation risk:* Stocks listed on ChiNext and/or STAR Board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.
- *Differences in regulation:* The rules and regulations regarding companies listed on the ChiNext market and STAR Board are less stringent in terms of profitability and share capital than those in the main board.
- *Delisting risk:* It may be more common and faster for companies listed on the ChiNext market and/or STAR Board to delist. In particular, STAR Board has stricter criteria for delisting compared to other boards. This may have an adverse impact on the Fund if the companies that it invests in are delisted.
- *Concentration risk:* STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR Board may be concentrated in a small number of stocks and subject the Fund to higher concentration risk.
- Investments in the ChiNext market and/or STAR Board may result in significant losses for the Fund and its investors.

## DEALING AND SETTLEMENT PROCEDURES IN HONG KONG

For Hong Kong investors, the details on the minimum initial investment, minimum subsequent investment, minimum redemption and the minimum holding in respect of the Fund are set out below:

<b>Minimum initial investment</b>	<b>Minimum subsequent investment</b>	<b>Minimum redemption</b>	<b>Minimum holding</b>
RMB 100	RMB 100	100 units	100 units

For the purpose of dealing in units through the Hong Kong Representative, a “**Hong Kong Dealing Day**” shall mean a Dealing Day on which banks in Hong Kong are also open for normal banking business. Where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Hong Kong Dealing Day unless the Fund Manager determines otherwise. “**Dealing Day**” is defined to mean a “**Business Day**” on which Subscription, Redemption or other business of fund units are processed for the Fund Investors and “**Business Day**” is defined to mean a normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange.

Subscription and redemption of units in Hong Kong take place on each Hong Kong Dealing Day, save for the period of suspension of valuation of and dealing in units of the Fund set out below under the heading “**Suspension of Valuation and Dealing**” under the section “**Net Asset Value**” and the period when the Fund is closed for subscription.

Instructions for subscriptions and redemptions which the Hong Kong Representative considers unclear or incomplete may lead to a delay in their execution. Such instructions will only be executed once they have been verified and confirmed to the Hong Kong Representative’s satisfaction. The Hong Kong Representative will not be liable for any losses which may result from delays arising from unclear instructions.

### ***Subscription Procedures***

To purchase Units in the Fund, investors should make an application to authorised distributors or the Hong Kong Representative (if applicable) by 3:00 p.m. (Hong Kong time) on a Hong Kong Dealing Day (“**Dealing Deadline**”) for dealing on the same day. Authorised distributors are required to forward the relevant applications received before the Dealing Deadline by 5:00 p.m. (Hong Kong time) to the Hong Kong Representative for dealing on the same day.

The Hong Kong Representative will aggregate the subscription applications received directly from investors and/or via authorised distributors and pass a consolidated order to the Fund Manager. Applications received after the Dealing Deadline will be forwarded to the Fund Manager on the immediately following Hong Kong Dealing Day. The number of Units allotted will be calculated by dividing subscription proceeds (net of subscription fee) by the Net Asset Value per Unit on the Hong Kong Dealing Day on which the Fund Manager receives the application. The subscription will be confirmed on the next Hong Kong Dealing Day.

Subscriptions for Units via the Hong Kong Representative may be made by Hong Kong investors by facsimile or by electronic communication (if applicable) placed by a person designated as an authorised person in the application form.

Different authorised distributors may have different practices for subscription. For subscription applications made through authorised distributors in Hong Kong, investors should consult with their respective authorised distributors for the dealing procedures (including the acceptable means of subscription order submission) applicable to dealing through such authorised distributors. Authorised distributors may impose different earlier dealing deadlines for receiving applications for subscriptions. Investors should pay attention to the arrangements of the authorised distributors concerned.

Hong Kong investors may not switch to other class of the Fund or any other investment funds.

### ***Redemption Procedures***

A Hong Kong Unitholder who wishes to request a redemption of the whole or any part of his holding of Units in the Fund may submit his redemption order (in the prescribed form) to authorised distributors or the Hong Kong Representative (if applicable) by the Dealing Deadline for dealing on the same day. Authorised distributors are required to forward the relevant applications received before the Dealing Deadline by 5:00 p.m. (Hong Kong time) to the Hong Kong Representative for dealing on the same day.

The Hong Kong Representative will aggregate redemption orders received directly from investors and/or via authorised distributors and pass a consolidated order to the Fund Manager. Applications received after the Dealing Deadline will be dealt with on the immediately following Hong Kong Dealing Day. Units will be redeemed at the Net Asset Value per Unit on the Hong Kong Dealing Day on which the Fund Manager receives the application. The redemption will be confirmed on the next Hong Kong Dealing Day.

Redemption of Units via the Hong Kong Representative may be made by Hong Kong investors by facsimile or by electronic communication (if applicable) placed by a person designated as an authorised person in the redemption form.

Different authorised distributors may have different practices for redemption. To redeem units through authorised distributors in Hong Kong, investors should consult with their respective authorised distributors for the dealing procedures (including the acceptable means of redemption order submission) applicable to dealing through such authorised distributors. Authorised distributors may impose different earlier dealing deadlines for receiving applications for redemption. Investors should pay attention to the arrangements of the authorised distributors concerned.

If, upon redemption of Class H Units held by a Unitholder, the remaining balance of the units is of a value less than 100 units upon or after the redemption, the redemption request shall be treated as a request to redeem all remaining units held by the Unitholder. In other words, the remaining units will be compulsorily redeemed and this compulsory redemption will be processed without consent of or notification to the investors. There are no other circumstances of compulsory redemption.

### ***Settlement***

Payment of the subscription monies must be made at the time of application. Payment must be made in RMB in cleared funds.



**No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on the Type 1 (dealing in securities) regulated activity under Part V of the Securities and Futures Ordinance.**

Proceeds from redemption will be paid in RMB to the registered Unitholder by telegraphic transfer usually within 7 Hong Kong Dealing Days, upon proper receipt by the Hong Kong Representative of the documents necessary to complete the redemption.

Please note that payment of redemption proceeds may be deferred in the circumstances as set out in the sub-section headed “**(VII) Suspension of Redemption or Deferral Payment of Redemption Monies**” under the section headed “**VII. Subscription, Redemption and Switching of Fund Units**”, as well as, the section headed “**XVI. Side Pocket Mechanism**” of the Prospectus. In these circumstances, the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific situations and the redemption proceeds will be made to the Unitholders as soon as practicable.

All bank charges incurred in making the redemption payment will be borne by the redeeming Unitholder. Investors should check with authorised distributors or the Hong Kong Representative for further details.

For dealing in Units through authorised distributors, investors are advised to obtain information on settlement from the distributors concerned.

There may also be changes to the dealing and cut-off time arrangements as a result of market events. Investors should inquire with the Hong Kong Representative or their authorised distributors for the related dealing and cut-off time arrangements.

### ***Changes to information and Anti-money Laundering Checks***

If there is any change in the information contained in a Unitholder’s application form or the Unitholder’s personal information or details, the Unitholders should notify the Hong Kong Representative or the relevant authorised distributor (who in turn will notify the Fund Manager) in writing of any such change and furnish the Hong Kong Representative or the relevant authorised distributor with such additional documents relating to such change as the Hong Kong Representative, or the relevant authorised distributor or the Fund Manager may request.

In the event of delay or failure to produce any documents or information required for verification of identity or legitimacy of subscription monies, the Fund Manager, the Fund Custodian, the Hong Kong Representative and/or the relevant authorised distributor may refuse to accept an application and the subscription moneys relating thereto. Further, they may delay in paying any redemption proceeds if a Unitholder delays in producing or fails to produce any documents or information required for the purposes of verification of identity, and may refuse to make payment to a Unitholder if either of them suspects or is advised that (i) such payment may result in a breach or violation of any anti-money laundering law or other laws or regulations by any person in any relevant jurisdiction; or (ii) such refusal is necessary or appropriate to ensure compliance with any such laws or regulations in any relevant jurisdiction.

## NOMINEE ARRANGEMENTS AND UNITHOLDER MEETINGS

For Hong Kong investors subscribing the Units through the Hong Kong Representative, the holding of units in the Fund will be through JPMorgan Investor Services (Asia) Limited (the “**Nominee**”), an associated company of the Hong Kong Representative.

The Hong Kong Representative has appointed the Nominee, under the terms of the nominee agreement, to hold the units on behalf of the Hong Kong investors in accordance with the terms and conditions which are summarised below: –

- (i) The Hong Kong Representative acting as agent for each Hong Kong Unitholder may:
  - a. place any orders for the sale or purchase of units held or to be held by the Nominee for the account of that Hong Kong Unitholder;
  - b. without further instructions from that Hong Kong Unitholder, direct the Nominee or the Fund to procure that, or cause, any dividends or other entitlements or redemption proceeds paid or payable in respect of any such units to be paid directly to the Hong Kong Representative on behalf of that Hong Kong Unitholder. Any such dividends or proceeds will be applied by the Hong Kong Representative in accordance with the relevant Hong Kong Unitholder’s instructions from time to time.
- (ii) Subject to the above, instructions in connection with any units held for a Hong Kong Unitholder’s account will only be given to the Nominee by the Hong Kong Representative acting as agent for that Hong Kong Unitholder. Each of the Hong Kong Representative and the Nominee will act on any instructions given to it by that Hong Kong Unitholder and the Hong Kong Representative, respectively, provided that each of the Hong Kong Representative and the Nominee receives sufficient notice to enable it to so act (that period of notice to be determined, in its absolute discretion, by the Hong Kong Representative).
- (iii) The Hong Kong Representative and other relevant parties, including the Fund Manager, shall be indemnified by each Hong Kong Unitholder against any actions, proceedings, claims, losses, damages, taxes, costs and expenses which may be brought against, suffered or incurred by any or all of them arising either directly or indirectly out of or in connection with the Hong Kong Representative’s or the Nominee’s accepting, or relying on any instructions given or purported to be given by or on behalf of that Hong Kong Unitholder or given by the Hong Kong Representative provided that the Hong Kong Representative or the Nominee, as the case may be, acts in good faith, unless due to the wilful default, negligence or fraud of the Hong Kong Representative or any other relevant party.
- (iv) Any taxes incurred by the Nominee in respect of any units held on account of that Hong Kong Unitholder shall be the responsibility of each Hong Kong Unitholder.

For Hong Kong investors subscribing the Units through authorized distributors, they should contact the relevant authorised distributor to find out details of the applicable nominee arrangement.

The Nominee or each authorised distributor, as the case may be, will keep a record of the underlying Hong Kong Unitholders on behalf of whom it holds units in the Fund. Because of the nominee arrangement, the Nominee or each authorised distributor, as the case may be, will be recorded as holder on the register of the Fund (nominee account holder). The underlying Hong Kong Unitholders

will not be recorded as the holder of the relevant units. The Nominee or each authorised distributor, as the case may be, will be entitled to exercise the rights as a holder of units (including but not limited to voting rights, the right to take legal action against the Fund Manager and the Fund Custodian), instead of the individual underlying Hong Kong Unitholders.

The Fund Manager will communicate details of all Unitholder Meetings such as meeting date, time and the resolutions relating to the Fund to the Nominee or the authorised distributors, as the case may be, who are expected to further notify the underlying Hong Kong Unitholders such details, together with the voting arrangements as soon as practicable. The Nominee or any authorised distributors in Hong Kong, under the provisions of the Fund Contract and without prejudice to the interests of the Unitholders, provides services to the underlying Hong Kong Unitholders of Class H Unit. The services include requesting the Unitholder Meetings by proxy, convening the Unitholder Meetings by proxy, attending the Unitholder Meetings by proxy, voting in the Unitholder Meetings by proxy, etc. The Nominee or the authorised distributors, as the case may be, will consolidate the voting instructions from the underlying Hong Kong Unitholders and submit such voting instructions to the Fund Manager. These instructions will be processed pursuant to the provisions of the Fund Contract.

Investors must comply with the arrangements and deadlines specified by the Nominee or the relevant authorised distributors, as the case may be, in order to participate in the voting process in Unitholder Meetings.

Hong Kong investors should note that their investment via these nominee arrangements does not have any direct contractual relationship with the Hong Kong Representative or the Fund Manager. Although the underlying Hong Kong Unitholders are the beneficial owners of the units, legally the units are owned by the Nominee or the relevant authorised distributors, as the case may be. In these circumstances, the underlying Hong Kong Unitholders do not have any direct contractual relationship with the Hong Kong Representative (save for the circumstances where the Hong Kong Unitholders subscribed the Units directly through the Hong Kong Representative) or the Fund Manager, and therefore will not have direct recourse on the Hong Kong Representative (save for the circumstances where the Hong Kong Unitholders subscribed the Units directly through the Hong Kong Representative) or the Fund Manager as Hong Kong Unitholders can only pursue claims through the Nominee or the relevant authorised distributor, as the case may be.

Hong Kong investors should consider the above and understand the difference in position as a result of holding units by way of a nominee arrangement. In particular, Hong Kong investors will exercise their rights in the Fund through a nominee, whereas Mainland China investors holding units directly are entitled to exercise their rights in the Fund directly.

## **NET ASSET VALUE**

### ***Publication of the Net Asset Value per Unit***

The Net Asset Value per Unit shall be made available on each Hong Kong Dealing Day on the website of the Hong Kong Representative at [www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/). This website has not been reviewed by the SFC.

## ***Suspension of Valuation and Dealing, Deferral of Redemption and Exercise of Side Pocket***

Any suspension of determination of the Net Asset Value of the Fund and the subscription or redemption of units of the Fund will be announced as soon as practicable following such decision and within the timeframe as required under applicable regulations on the website of the Hong Kong Representative at [www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/). Investors should note that this website has not been reviewed by the SFC.

For any suspension or deferral of dealings, as well as exercise of side pocket requiring notification to the CSRC, the SFC shall also be notified correspondingly.

## **DISTRIBUTION**

Please refer to the section headed “**XII. Fund Income and Distribution**” of the Prospectus for the distribution policy applicable to Class H Units, except that the Class H Unitholders currently are not offered the option of reinvestment of distributions (if declared). Investors will be notified when reinvestment option is available.

Distributions may be paid out of accrued net distributable income carried over from the previous financial year(s), which amount to distributions out of capital under Hong Kong regulatory disclosure requirements.

**Investors should note that where the payment of dividends are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested or capital gains attributable to that, and may result in an immediate decrease in the value of the Class H Units and will reduce any capital appreciation for the Unitholders of such Class H Units.**

The composition of the distributions in respect of the Class H Units (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months<sup>#</sup> are available by the Hong Kong Representative on request and also on the website [www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/). Investors should note that the aforesaid website has not been reviewed by the SFC.

The Fund Manager may amend the dividend policy with respect to payment of distribution out of capital of the Class H Units subject to obtaining the prior regulatory approval and by giving not less than one month’s prior notice to Unitholders.

*# This refers to a rolling 12 month period after date of launch of the class.*

## **FEES AND EXPENSES**

The attention of prospective investors is drawn to details of the fees and expenses relating to the Fund as set out in the sections headed “**VII. Subscription, Redemption and Switching of Fund Units**” and “**XIII. Expenses and Taxes of the Fund**” of the Prospectus.

Subscription of Class H Units is subject to a subscription fee of up to 5% of the subscription amount. The subscription fee is payable to the relevant authorised distributors or the Hong Kong Representative, as the case may be. An illustrative example of the subscription fee is set out below for reference:

Example: Assuming that an investor invests RMB 10,000 to subscribe for Class H Units, the rate of the applicable subscription fee is 5%, and the net asset value per Unit on a Hong Kong Dealing Day is RMB 1.5, then the number of units to be allotted shall be calculated as follows:

$$\text{Subscription fee} = (\text{RMB } 10,000 \times 5\%) / (1+5\%) = \text{RMB } 476.19$$

$$\text{Net subscription proceeds} = \text{RMB } 10,000 - \text{RMB } 476.19 = \text{RMB } 9,523.81$$

$$\text{Number of units subscribed} = \text{RMB } 9,523.81 / \text{RMB } 1.5 = 6,349.21 \text{ units}$$

Therefore, the investor receives 6,349.21 Class H Units in the Fund by investing RMB 10,000 in the above example.

Redemption of Class H Units is subject to a redemption fee of 0.13% (maximum: up to 0.5%) of the redemption amount. The redemption fee is payable to the Fund. For the avoidance of doubt, the arrangement that no less than 25% of the total redemption fees should be credited to the property of the Fund as set out in the sections headed “**VII. Subscription, Redemption and Switching of Fund Units**” is not applicable for Class H Units.

An illustrative example of the redemption fee is set out below for reference:

Example: Assuming that an investor redeems 10,000 Units from the Fund, and the net asset value per Unit on a Hong Kong Dealing Day is RMB 1.5, then redemption proceeds to be paid to the investor shall be calculated as follows:

$$\text{Total redemption amount} = 10,000 \times \text{RMB } 1.5 = \text{RMB } 15,000$$

$$\text{Redemption fee} = \text{RMB } 15,000 * 0.13\% = \text{RMB } 19.5$$

$$\text{Net redemption proceeds} = \text{RMB } 15,000 - \text{RMB } 19.5 = \text{RMB } 14,980.5$$

Therefore, the investor receives RMB 14,980.5 for the redemption effected in the above example.

## **TAXATION**

**Investors may refer to the Prospectus for more information on the possible tax implications. Investors should inform themselves of, and where appropriate consult their professional advisors on, the possible tax consequences of subscribing for, buying, holding, converting, redeeming or otherwise disposing of Units under the laws of their country of citizenship, residence, or domicile or incorporation.**

### Mainland China

#### **(A) Taxation for Hong Kong Investors under MRF**

On 18 December 2015, The Ministry of Finance, the State of Administration of Taxation and the CSRC jointly released the Caishui [2015] No.125 (the “**Notice**”) which specifies the Mainland China taxation for investments in Mainland China securities investment funds under MRF (“**Recognised Mainland Funds**”) by Hong Kong investors or investors in Hong Kong (“**Hong Kong Investors**”), and as set out below:

## **Corporate Income Tax (“CIT”) and Individual Income Tax (“IIT”)**

Income derived from disposal gains of Recognised Mainland Funds by Hong Kong Investors (either corporate investors or individual investors) is temporarily exempt from income tax (including CIT and IIT respectively). Income derived by Hong Kong Investors from distributions from Recognised Mainland Funds would not be subject to income tax (including CIT and IIT respectively) again as such taxes already been withheld by PRC listed companies / issuers of bonds at time of distribution to Recognised Mainland Funds.

## **Business Tax (“BT”)**

BT is temporarily exempted on the income derived from disposal gains of Recognised Mainland Funds by Hong Kong Investors.

## **Stamp Duty**

Mainland China Stamp Duty is temporarily not payable by Hong Kong Investors for the subscription, redemption, purchase, sales, transfer or inheritance of units/shares of Recognised Mainland Funds.

## **(B) Taxation for Mainland China Securities Investment Fund**

Pursuant to Caishui [2008] No. 1, gains realized from the trading of Mainland China shares and bonds, dividend from Mainland China shares, interest from Mainland China bonds and other income by Mainland China securities investment fund shall be temporarily exempted from CIT.

Pursuant to Caishui [2002] No. 128, listed companies and issuers of bonds should withhold 20% IIT from payment of dividends or interest to a Mainland China securities investment fund. However, distribution derived by Hong Kong investors (either corporate investors or individual investors) should be subject to income tax (on a withholding basis) at the rates of 10% and 7% respectively for dividends and interests declared – which would be withheld at the time when the Mainland China issuers (as withholding agent) distributes to Recognised Mainland Funds on the portion of dividends and interests attributable to Hong Kong Investors pursuant to the Notice.

In addition, sale of A-Shares and B-Shares (“**Mainland Shares**”) is subject to Mainland China stamp duty at a rate of 0.1% of the total proceed. However, the purchase of Mainland Shares is not subject to PRC Stamp Duty.

Various tax reform policies have been implemented by the Mainland China government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is no assurance that current tax exemptions or incentives will not be abolished in the future. Investors should seek their own tax advice on their Mainland China tax position with regard to their investment in the Recognised Mainland Fund.

## Hong Kong

Under current law and practice in Hong Kong, during such time as the Fund remains authorised by the SFC, it is not expected to be subject to any Hong Kong profits tax arising from the carrying on of its activities as described in the Prospectus and this Hong Kong Covering Document. Except as mentioned below, Unitholders will not be subject to any Hong Kong tax on distributions from the Fund or on capital gains realised on the sale of any Unit.

If the acquisition and redemption of units is or forms part of a trade, profession or business carried on in Hong Kong, gains realised by the relevant Unitholder may attract Hong Kong profits tax. Units will not attract Hong Kong estate duty and no Hong Kong stamp duty will be payable on the issue or transfer of units.

#### Foreign Account Tax Compliance Act

Sections 1471 – 1474 (referred to as “**FATCA**”) of the U.S. Internal Revenue Code of 1986, as amended (“**IRS Code**”) impose rules with respect to certain payments to non-United States persons, such as the Fund, including interest and dividends from securities of U.S. issuers and gross proceeds from the sale of such securities. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the U.S. Internal Revenue Service (“**IRS**”) to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, a foreign financial institution (an “**FFI**”), such as the Fund (and, generally, other investment funds organised outside the U.S.), generally will be required to enter into an agreement (an “**FFI Agreement**”) with the U.S. IRS under which it will agree to identify its direct or indirect owners who are United States persons and report certain information concerning such persons to the U.S. IRS.

In general, an FFI which does not sign an FFI Agreement or is not otherwise exempt will face a punitive 30% withholding tax on all “**withholdable payments**” derived from U.S. sources, including dividends, interest and certain derivative payments made on or after 1 July 2014. In addition, starting from 1 January 2019, gross proceeds such as sales proceeds and returns of principal derived from stocks and debt obligations generating U.S. source dividends or interest will be treated as “**withholdable payments**”.

Recognising that there may be legal issues with financial institutions entering into a FFI Agreement with the IRS, many governments have entered or will enter into an Inter-governmental Agreement (“**IGA**”) with the IRS. The Mainland China government has not entered into an IGA with the United States as of the date hereof, although it has substantially negotiated such agreement and has been added to the “**white list**” countries treated as having an Model 1 IGA in place.

As of the date hereof, the Fund Manager has already registered with the U.S. IRS as a Registered Deemed-Compliant Financial Institution (including a reporting Model 1 FFI) and has obtained its Global Intermediary Identification Number. The Fund Manager acts as the sponsoring entity for the Fund. The Fund will rely on the Fund Manager for the purpose of complying with FATCA.

The Fund Manager and the Fund will endeavour to satisfy the requirements imposed under FATCA to avoid any withholding tax. In the event that the Fund is not able to comply with the requirements imposed by FATCA and the Fund does suffer U.S. withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Fund may be adversely affected and the Fund may suffer significant loss as a result.

Each Unitholder and prospective investor should consult with his own tax advisor as to the potential impact of FATCA in its own tax situation.

## REPORTS

Audited annual reports incorporating financial statements, unaudited half-yearly reports and quarterly reports shall be made available to each Unitholder in accordance with the section headed “**XV. Information Disclosure of the Fund**” of the Prospectus. Annual reports will be made available within three months after the end of each year. Semi-annual reports of the Fund will be made available within two months after the end of the first half of each year. Quarterly reports of the Fund will be made available within 15 Business Days after the end of each quarter.

Financial reports made available to Hong Kong investors will be supplemented with such additional information as required to be furnished to Hong Kong investors under the MRF arrangement (or otherwise required by the SFC from time to time).

All the above reports shall be made available to Unitholders electronically on [www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/). Investors should note that the aforesaid website has not been reviewed by the SFC. Unitholders will be notified as and when these reports are available. These reports will be also made available for inspection at the registered office of the Hong Kong Representative.

## DOCUMENTS AVAILABLE TO INVESTORS

Offering documents and ongoing disclosure of information of the Fund shall be made available to Mainland Chinese investors and Hong Kong investors at the same time, except for any notice to Mainland Chinese investors which is issued only in respect of classes of units of the Fund not available in Hong Kong and not relevant to Hong Kong investors, or relate solely to issues that have no impact on Hong Kong investors.

Copies of the following documents are available for inspection free of charge during normal business hours on weekdays (excluding Saturdays and public holidays) at the registered office of the Hong Kong Representative:–

- i. approval documents of the CSRC for the offering of the Fund
- ii. the Fund Contract of the Fund, as amended from time to time;
- iii. the Custody Agreement as referred to in the Prospectus;
- iv. the Prospectus of the Fund registered with the CSRC, this Hong Kong Covering Document and the Product Key Facts Statement, as amended from time to time;
- v. financial reports of the Fund under the above section headed “**Reports**”;
- vi. legal opinion (issued by Mainland China counsel);
- vii. the Hong Kong Representative Agreement;
- viii. notices of the Fund;
- ix. such other documents as are set out in the Prospectus to be available for public inspection.

Items (i), (ii), (iii), (v), (vi) and (ix) will be available in simplified Chinese only. Documents set out in items (iv) and (viii) will be available in English and traditional Chinese only. Item (vii) will be available in English only.



Investors may request for specific information regarding items (ii) and (v) in English or in traditional Chinese by submitting a request in writing to the Hong Kong Representative. The Hong Kong Representative will respond to such request as soon as practicable.

Copies of documents set out in items (iv) and (v) may also be obtained, free of charge, upon request at the registered office of the Hong Kong Representative. Copies of the other documents set out above may be obtained upon payment of a reasonable fee upon request at the registered office of the Hong Kong Representative.

As regards item (iv), the Prospectus of the Fund shall normally be updated at least once every year and the Hong Kong Covering Document and the Product Key Facts Statement shall be updated where necessary to reflect corresponding changes.

[www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/)



Prospectus - March 2025

# JPMorgan China Sector Rotation Fund



Mainland-Hong Kong Mutual Recognition of Funds

Fund Manager: JPMorgan Asset Management (China) Company Limited

Main Distributor in Hong Kong: JPMorgan Funds (Asia) Limited

**J.P.Morgan**  
ASSET MANAGEMENT

# **JPMorgan China Sector Rotation Fund**

## **Prospectus (Updated)**

Effective Date of Fund Contract: January 28, 2010

Fund Manager: JPMorgan Asset Management (China) Company Limited

Fund Custodian: China Merchants Bank Co., Ltd.

## **Important notes:**

1. The Fund Manager guarantees that the contents of this Prospectus are true, accurate and complete;
2. This Prospectus has been approved by the CSRC, but the CSRC's approval of the offering of the Fund neither represents its substantive judgment or guarantee on the value and return of the Fund, nor indicates that there is no risk when investing in the Fund;
3. Investment involves risks. Investors should read this Prospectus carefully when making application (or subscription) for the Fund;
4. The Fund's past performance is not indicative of its future performance;
5. The Fund Manager shall manage and use the Fund's assets according to the principles of due diligence, honesty, good faith and prudence, but does not guarantee any profits or minimum returns of the Fund;
6. The Fund is allowed to invest in stocks listed on the STAR Market. Once invested in STAR Market-listed stocks, the Fund's assets will be exposed to unique risks caused by differences in investment targets, market systems and trading rules under the STAR Market mechanism, including but not limited to risks related to liquidity, delisting, investment concentration and market conditions, systematic risks, risks resulting from share-price fluctuations, and policy risks. The Fund may choose to invest, or not to invest, a portion of its assets in STAR Market-listed stocks, based on its investment strategies and changes in market conditions. The Fund's assets will not necessarily be invested in STAR Market-listed stocks.
7. The Fund is allowed to invest in Chinese depositary receipts. In addition to the common risks faced by other funds that only invest in the stocks listed on the Shanghai and Shenzhen Stock Markets, the Fund will also be exposed to the risks resulting from large price fluctuations of the Chinese depositary receipts and even large losses, as well as the risks associated with Chinese depositary receipt issuance mechanism.
8. When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, the Fund Manager can start the side pocket mechanism after performing the corresponding procedures. For details, please refer to the relevant chapters of the Fund Contract and this Prospectus. During the implementation of the side pocket mechanism, the Fund Manager will make a special mark on the Fund's abbreviation and will not process any subscription or redemption of the side pocket account. Unitholders of the Fund are requested to read the relevant content carefully and pay attention to the specific risks when the Fund implements the side pocket mechanism.

9. Individual investors should read and fully understand the Privacy Policy for Users of JPMorgan Asset Management (China) Company Limited([https://www.cifm.com/service/ETguide/rules/201908/t20190822\\_144519.html](https://www.cifm.com/service/ETguide/rules/201908/t20190822_144519.html)), be aware of and give your consent to the collection, use, storage or other processing of your personal information in accordance with the aforementioned privacy policy as well as the relevant laws, regulations and regulatory rules (such as anti-money laundering, investor suitability management, real-name registration, etc.) for the purposes of opening a fund account for you and providing corresponding fund management services to you. Your personal information includes your basic personal information, personally identifiable information and personal property information, etc., part of which is classified as sensitive personal information. If you do not give your consent to the processing of your personal information, we will not be able to open a fund account for you and provide you with corresponding fund management services.

If the provision of third-party personal information is involved, institutional investors should guarantee that the source of such personal information is legitimate and that the Fund Manager does not violate the rule on obtaining consent from such a third party when processing their personal information. Institutional investors should remind such a third party to read the Privacy Policy for Users of JPMorgan Asset Management (China) Company Limited, in particular, informing them of the way that the Fund Manager will process their personal information and obtain their prior consent in accordance with the relevant provisions of the Personal Information Protection Law.

10. The relevant sections of this Prospectus have been updated in accordance with the reducing of the management fee rates and custody fee rates, which are as of March 31, 2025. The other content contained in this Prospectus is as of January 22, 2024, while the cut-off date for the data of the Fund's portfolios and the Fund's performance is December 31, 2023.

11. For the detailed information and relevant matters relating to Class H Units of the Fund, please refer to the Hong Kong Covering Document of the Fund. Investors of Class H Units of the Fund shall read the Prospectus in conjunction with the Hong Kong Covering Document of the Fund and Product Key Facts Statement of Class H Units.

March 2025

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## **I. Preface**

The Prospectus is prepared in accordance with Securities Investment Fund Law of the People's Republic of China and other relevant laws and regulations, as well as the Fund Contract of JPMorgan China Sector Rotation Fund (hereinafter referred to as the "Contract" or "Fund Contract").

The Prospectus sets forth all necessary matters related to the investment decisions of investors, such as the investment objectives, strategies, risks and rates of JPMorgan China Sector Rotation Fund (hereinafter referred to as "the Fund" or "Fund"), and investors should read the Prospectus carefully before making investment decisions.

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

The Fund Manager undertakes to manage and use the Fund's assets according to the principles of honesty, good faith, diligence and prudence, but does not guarantee any profits or minimum returns of the Fund. The Fund will be issued according to the information stated in the Prospectus.

This Prospectus is prepared according to the Fund Contract and is approved by the CSRC. The Fund Contract is a legal document that stipulates the rights and obligations of the parties concerned. The Prospectus mainly discloses information about matters related to the Fund to the investors, and serves as an invitation for the offer based on which investors can choose and decide whether they will invest in the Fund. Fund investors will become Unitholders and parties to the Fund Contract once the fund units are obtained pursuant to the Fund Contract. Their holding of fund units is in itself an acknowledgment and acceptance of the Fund Contract, and they will be entitled to the rights and will assume the obligations pursuant to the Funds Law, the Fund Contract and other relevant provisions.

Fund Investors should read the Fund Contract carefully for the purpose of understanding the rights and obligations of the Unitholders.

## **II. Definitions**

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

1. Fund or the Fund: JPMorgan China Sector Rotation Fund.
2. Fund Manager or the Fund Manager: JPMorgan Asset Management (China) Company Limited



3. Fund Custodian or the Fund Custodian: China Merchants Bank Co., Ltd.
4. Fund Contract or the Fund Contract: *Fund Contract of JPMorgan China Sector Rotation Fund* and any valid amendments or supplements made thereto.
5. Custody Agreement or the Custody Agreement: *Custody Agreement of JPMorgan China Sector Rotation Fund* entered into between the Fund Manager and the Fund Custodian in respect of the Fund, and any valid amendments or supplements made thereto.
6. Prospectus or the Prospectus: *Prospectus of JPMorgan China Sector Rotation Fund* and updates thereof.
7. Fund Units Offering Announcement: Units offering announcement of the Fund.
8. Laws and Regulations: The prevailing valid laws, administrative statutes, regulatory documents, judicial interpretations and administrative regulations promulgated in China and other decisions, resolutions and notices which are binding on the Parties to the Fund Contract.
9. Funds Law: *The Securities Investment Fund Law of the People's Republic of China* which was approved in the 5th session of the Tenth Standing of the National People's Congress on October 28, 2003, revised by the 30th session of the Eleventh Standing Committee of the National People's Congress on December 28, 2012, implemented since June 1, 2013, and revised in accordance with *the Decision of the Standing Committee of the National People's Congress on Revising Port Law of the People's Republic of China and Other Six Laws* issued in the 14th session of the Twelfth Standing Committee of the National People's Congress on April 24, 2015, and the amendments made thereto by the promulgation authority from time to time.
10. Measures on Sales: *Supervision and Administrative Measures on Sales Agencies of Publicly Offered Securities Investment Funds* which was issued by the CSRC on August 28, 2020 and implemented on October 1, 2020, and the amendments made thereto by the promulgation authority from time to time.
11. Measures on Information Disclosure: *Administrative Measures on Information Disclosure of Publicly Offered Securities Investment Funds* which was issued by the CSRC on July 26, 2019 and implemented on September 1, 2019, and amended by the CSCR's *Decision on Amendment of Certain Securities and Futures Regulations* on March 20, 2020, and the amendments made thereto by the promulgation authority from time to time.

12. Measures on Operation: *Administrative Measures on the Operation of Publicly Offered Securities Investment Funds*, and the amendments made thereto by the promulgation authority from time to time.
13. Liquidity Risk Management Regulations refers to the *Liquidity Risk Management Regulations for Publicly-Offered Open-End Equity Investment Funds* issued by the China Securities Regulatory Commission (CSRC) on August 31, 2017, and implemented on October 1 of the same year, including amendments made thereto by the promulgating authority from time to time.
14. CSRC: China Securities Regulatory Commission.
15. Banking Regulatory Authority: The People's Bank of China and/ or the National Administration of Financial Regulation.
16. Parties to the Fund Contract: Legal entities that are bound by the Fund Contract and that are entitled to the rights and assume the obligations thereunder, including the Fund Manager, the Fund Custodian and Unitholders.
17. Individual Investor: A Chinese citizen at an age of 18 or above who legally holds a valid identity document, such as a currently valid identity card of the People's Republic of China, military identity document, etc., and other natural person who can invest in securities investment funds according to the relevant laws and regulations or approval of the CSRC.
18. Institutional Investor: An enterprise corporate, business corporate, social group or other organisations which can invest in open-end securities investment funds according to laws, and are lawfully registered and sustaining or are established upon the approval of the relevant government departments and sustaining t in the People's Republic of China.
19. Qualified Foreign Institutional Investors or QFIIs: Foreign institutional investors that can invest in the domestic securities market of China according to prevailing relevant laws and regulations in effect.
20. Investors: A general term for individual investors, institutional investors, qualified foreign institutional investors and other investors who are allowed to purchase securities investment funds according to the Laws and Regulations or under the CSRC.

21. Unitholders: Investors who lawfully acquire the fund units according to the Fund Contract and the Prospectus.
22. Sales Business of the Fund: Businesses of promotion and recommendation, offering of the fund units, and processing of subscription, redemption, switching, non-trading transfer, agency transfer, and periodic subscription plan of the Fund, etc. by the Fund Manager or Sales Agencies.
23. Sales Institutions: Direct Sales Institution and Sales Agencies.
24. Direct Sales Institution: JPMorgan Asset Management (China) Company Limited
25. Sales Agencies: Institutions that satisfy the conditions in the Measures on Sales and other conditions specified by the CSRC, are qualified for carrying out fund sales agency business and have signed a fund sales service agency agreement with the Fund Manager to carry out fund sales business on its behalf.
26. Fund Sales Outlets: Direct sales centres of the Direct Sales Institution and outlets of Sales Agencies.
27. Registration Business: Registration, depository, transfer, clearing and settlement of the Fund, including the opening and management of Investor's fund accounts, registration of fund units, confirmation, clearing and settlement of Sales Business of the Fund, distribution of dividends on behalf of the Fund, establishment and keeping of the register of the Unitholders, etc.
28. Registrars: Institutions that process Registration Business. The Registrars of the Fund are JPMorgan Asset Management (China) Company Limited or institutions appointed by JPMorgan Asset Management (China) Company Limited to process the Registration Business of the Fund on its behalf.
29. Fund Accounts: Accounts opened at the Registrars for Investors, for the purpose of recording the balances and the changes of the fund units that are held by such Investor and managed by the Fund Manager.
30. Fund Trading Accounts: Accounts opened at the Sales Institutions for Investors, for the purpose of recording the changes and the balances of the fund units of the Fund arising from the dealings traded through such Sales Institutions.

31. **Effective Date of Fund Contract:** The date on which the offering of the Fund has satisfied the Laws and Regulations and conditions specified in the Fund Contract and on which the Fund Manager has completed the filing procedures with the CSRC and has obtained a written confirmation of its filing from the CSRC.
32. **Termination Date of Fund Contract:** The date on which the Fund Contract is terminated upon any event justifying such termination as specified in the Fund Contract has occurred, the assets of the Fund are liquidated and the results of liquidation are submitted to the CSRC for filing and announcement.
33. **Initial Offer Period of the Fund:** The period from the date on which the offering of fund units begins to the date on which the offering ends, provided that the period shall not exceed three months.
34. **Duration:** The indefinite period from the Effective Date of Fund Contract to the date when the Fund Contract is terminated.
35. **Business Day:** A normal trading day of the Shanghai Stock Exchange and the Shenzhen Stock Exchange.
36. **T Day:** A Business Day on which Investor's applications for Subscription, Redemption or other businesses are accepted by the Sales Institutions during the specified period of time.
37. **T+n Day:** The  $n^{\text{th}}$  Business Day after T Day (excluding T Day).
38. **Dealing Day:** A Business Day on which Subscription, Redemption or other businesses of fund units are processed for the Investors.
39. **Trading Hours:** The hours in a Dealing Day during which Subscription, Redemption or other transactions of the Fund are accepted.
40. **Business Rules:** The Business Rules on Registration of Securities Investment Fund of JPMorgan Asset Management (China) Company Limited established to standardise the registration and settlement of securities investment funds under the management of the Fund Manager and are jointly observed by the Fund Manager and Investors.
41. **Application:** An Investor's application for purchasing certain fund units within the Initial Offer Period of the Fund.

42. Subscription: An Investor's application for purchasing certain fund units according to the requirements set out in the Fund Contract and the Prospectus after the Fund Contract becomes effective.
43. Redemption: A Unitholder's request of converting certain fund units into cash pursuant to the requirements set forth in the Fund Contract after the Fund Contract becomes effective;
44. Fund Switching: A Unitholder's application for switching his holding in the fund units of a certain fund managed by the Fund Manager into the fund units of other funds managed by the Fund Manager and registered at the same Registrar pursuant to the Fund Contract and the conditions announced and stipulated by the Fund Manager as then in force.
45. Agency Transfer: In relation to the fund units held by a Unitholder between different Sales Institutions of the Fund, means the change of such Sales Institutions.
46. Periodic Investment Plan: A way of investment whereby an investor submits an application through the relevant Sales Institution specifying each agreed Subscription Date, amount and way of payment on a regular basis, and the Sales Institution will automatically complete the debit in the bank account indicated by the investor and the Subscription on each prescheduled payment day.
47. Substantial Redemption: The net applications for Redemption of the Fund (i.e. the balance of the sum of total applications for Redemption of units and total applications for switching out from the Fund upon Fund Switching after deducting the sum of total applications for Subscription of units and the total applications for switching into the Fund upon Fund Switching) received on a single Dealing Day of the Fund exceeding 10% of the total fund units on the preceding Dealing Day.
48. Yuan: RMB Yuan.
49. Fund Income: Includes bonus from investments of the Fund, dividends, coupons, bid-ask spreads of securities, interest of bank deposits and other realised lawful income and savings of costs and expenses from the utilisation of the assets of the Fund.
50. Total Asset Value of the Fund: The total value of all types of marketable securities, principals and interests of bank deposits, monies receivable from Subscription of the Fund and other assets possessed by the Fund.

51. Net Asset Value (NAV) of the Fund: The value calculated by deducting liabilities of the Fund from the Total Asset Value of the Fund.
52. NAV per Fund Unit: The value resulting from the NAV of the Fund on the calculation day divided by the total number of fund units on the calculation day.
53. Valuation of Fund Assets: The process of valuation of assets and liabilities of the Fund in order to determine the NAV of the Fund and the NAV per Fund Unit.
54. *Assets with Restricted Liquidity* refers to assets that cannot be realised for a reasonable price because of some law, regulation, regulatory authority, contract or transactional constraint, including but not limited to reverse repurchases and bank term deposits (including bank deposits with agreed terms and conditions for early withdrawal) with a maturity longer than 10 trading days, shares suspended from trading, new shares with circulation restrictions and shares issued through private placement, asset-backed securities and bonds which cannot be transferred or traded due to default by issuer, etc.
55. Sales Service Fees: Refers to those expenses accrued from the Fund's assets for unit-holder services, marketing and sales of the Fund.
56. Fund Unit Classification: The fund units are classified into different classes based on the sales location of the Fund and the difference in charging methods for Subscription fees, Redemption fees and Sales Service fees. Different fund codes are assigned to these three classes of fund units respectively, and the NAV per Fund Unit shall be announced separately.
57. Class A Unit: Such fund units are only sold in Mainland China, and Subscription fee and Redemption fee shall be charged to such fund units and no Sales Services Fees are charged
58. Class H Unit: Such fund units are only sold in Hong Kong, China, and Subscription fee and Redemption fee shall be charged to such fund units and no Sales Services Fees are charged.
59. Class C Unit: Fund units for sale in Mainland China only, for which a redemption fee is charged but no subscription fee. Sales service fees are accrued from the Fund assets of this class.
60. Designated Media: National newspapers, websites (including the websites of the Fund Manager and the Fund Custodian and the CSRC's electronic disclosure website for funds) and other media outlets designated by the CSRC for information disclosure.

61. Fund Product Key Facts Statement: The “Fund Product Key Facts Statement of JPMorgan China Sector Rotation Fund” and updates thereto. Requirements concerning the compilation, disclosure and update of the Fund Product Key Facts Statement shall come into force one year after the implementation of the Measures on Information Disclosure.
62. Side Pocket Mechanism: The separation of specific assets in the Fund’s investment portfolio from the original account to a special account for disposal and liquidation. The purpose is to effectively separate and resolve risks and ensure that investors are treated fairly. It is a liquidity risk management tool. During the implementation of the side pocket mechanism, the original account is referred to as the main pocket account, and the special account is referred to as the side pocket account.
63. Specific Assets: Including: (1) Assets that have no reference active market prices and the use of valuation techniques still leads to significant uncertainty in their fair value; (2) Assets that are measured at amortized cost and the provision for asset impairment still leads to major uncertainties in the value of assets; and (3) Other assets with major uncertainties in the value of assets.
64. Force Majeure: Events that cannot be foreseen, defied or avoided by the Parties to the Fund Contract and occur after execution of the Fund Contract by the Fund Manager and the Fund Custodian and prevent the Parties to the Fund Contract from performing the Fund Contract in whole or in part, including but not limited to floods, earthquakes and other natural disasters, wars, chaos, fires, government forfeiture, confiscation, terroristic attacks, spread of infectious diseases, changes of laws and regulations, sudden power failures or other sudden incidents, unusual suspension or discontinuation of trading on securities exchanges, breakdowns in public communication facilities or the internet.

### **III. Fund Manager**

#### **(I) Profile of the Fund Manager**

The Fund Manager of the Fund is JPMorgan Asset Management (China) Company Limited, whose basic information is as follows:

Registered Address: 42F&43F, 479 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone

Business Address: 42F&43F, 479 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone

Legal representative: Desiree Wang

General manager: Desiree Wang

Date of establishment: May 12, 2004

Paid-up registered capital: RMB 250 million

Name of shareholders, shareholding structure and shareholding ratio:

JPMorgan Asset Management Holdings Inc. 100%

JPMorgan Asset Management (China) Company Limited is a fund management company established on May 12, 2004 upon the approval of CSRC Zheng Jian Ji Zi [2004] No.56.

On August 12, 2005, the Fund Manager completed the issues in relation to changes in shareholding between shareholders. The registered capital of the Fund Manager remained unchanged. The shareholders' capital contribution ratios of Shanghai International Trust Co., Ltd. and JP Morgan Asset Management (UK) Limited have been changed from 67% and 33% to 51% and 49% respectively.

On June 6, 2006, the name of the Fund Manager was changed from "Shanghai Investment Morgan Fleming Fund Management Co., Ltd." to "China International Fund Management Co., Ltd.". The approval of CSRC has been obtained on April 29, 2006 with respect to the change of name, and all formalities related to the change have been completed at the State Administration for Industry and Commerce on June 2, 2006.

On March 31, 2009, the registered capital of the Fund Manager increased from RMB 150 million to RMB 250 million, and the proportion of shareholders' capital contributions remained unchanged. All formalities related to the change have been completed at the State Administration for Industry and Commerce on March 31, 2009.

On January 19, 2023, with the approval of CSRC, Shanghai International Trust & Investment Co., Ltd., one of the former shareholders of China International Fund Management Co., Ltd., transferred its 51% equity interest in the Company to JPMorgan Asset Management Holdings Inc. (hereinafter referred to as "JPMAM Holdco"), and JPMorgan Asset Management (UK) Limited, the other former shareholder, transferred its 49% equity interest in the Company to JPMAM Holdco. JPMAM Holdco has thereby acquired 100% equity interest in the Company.

According to the announcement published by the Fund Manager on April 12, 2023, the name of the Fund Manager was changed from "China International Fund Management Co., Ltd." to "JPMorgan Asset Management (China) Company Limited". All formalities related to the registration of the change with respect to the change of name were completed with the industrial and commercial registration on April 10, 2023.

There is no record that the Fund Manager has been subject to any penalty.



(II) Information of key personnel:

1. Basic information of members of the Board of Directors:

Chairman: Daniel Watkins

Bachelor's degree.

Mr. Watkins has held a number of positions at JPMorgan namely Deputy CEO of JPMorgan Asset Management Europe, Head of Europe COO, Head of Global IM Operations, Head of the European Operations Team, Head of the European Transfer Agency, Head of Luxembourg Operations, manager of European Transfer Agency and London Investment Operations, and manager of the Flemings Investment Operations Teams.

Currently he is Chief Executive Officer of Asia Pacific, J.P. Morgan Asset Management, a member of the Asset Management Operating Committee and the firm-wide Asia Pacific Management team; Chairman of JPMorgan Asset Management (China) Company Limited.

Director: Paul Bateman

Bachelor's degree

Paul Bateman was formerly the Global Head of Chase Fleming Asset Management Limited and CEO of JP Morgan Asset Management's global investment management business.

He is currently the Global Chairman of JP Morgan Asset Management, a member of the Asset Management Operations Committee and a member of the Investment Committee.

Director: Paul Quinsee

Bachelor's Degree.

He was the Chief Investment Officer for U.S. Equities of J.P. Morgan Asset Management, a portfolio manager and client portfolio manager in J.P. Morgan's Global Equity Team, an equity portfolio manager with Citibank and Schroder Capital Management.

Currently he is the Global Head of Equities for J.P. Morgan Asset Management, and Co-Chair of the Asset Management Investment Committee.

Director: Desiree Wang

Master's degree.

She was China Country Head of J.P. Morgan Asset Management (JPMAM), Head of China Institutional Business of JPMAM, the Legal Representative and General Manager of J.P. Morgan Asset Management (China) Limited (WFOE).

She is currently General Manager of JPMorgan Asset Management (China) Company Limited.

Director: Du Meng

Master's degree.

He worked as Analyst at Tiantong Securities, Central China Securities, Guosen Securities and BOC International (China) Limited. After joining JPMorgan Asset Management (China) Company Limited, he served successively as Sector Specialist, Assistant Fund Manager, Fund Manager, VP/Head of Equity Department I and Senior Fund Manager.

He is currently Executive Vice President and Chief Investment Officer of JPMorgan Asset Management (China) Company Limited.

Director: Hu Hailan

Bachelor's degree.

She was Head of Finance of BNP Paribas (Shanghai), Head of Finance Department and Head of Administration Department of JPMorgan Asset Management (China) Company Limited.

She is currently Executive Vice President and Chief Financial Officer of JPMorgan Asset Management (China) Company Limited.

Independent Director: Alex Wong

Wong holds an MBA from the University of California, Los Angeles (UCLA), and is a Certified Public Accountant in California, US and China.

He formerly served as a partner in PricewaterhouseCoopers Financial Services and was a Managing Partner of Investment Management Industry at PwC China.

He currently serves as Independent Director of Hang Seng Bank (China) Limited and Supervisor of China Taiwan Vivasolis Biotechnology Co., Ltd.

Independent Director: Jacob TSANG

A qualified accountant by position.

He was Director of Group Treasury of the Hong Kong Jockey Club, member of the Products Advisory Committee of the SFC, Honorary Treasurer of Heep Hong Society and a member of its executive committee and investment sub-committee, chairman of the investment advisory committee of Sir David Trench Fund, Police Children Education Trust and Police Education and Welfare Trust, member of the ad hoc committee on funding management of Hong Kong Housing Society, member of global investor steering committee of the Alternative Investment Management Association (AIMA) and INED of Amasse Capital Holding Limited.

He is currently an independent Trustee of MTR Corporation Limited Retirement Scheme.

Independent Director: Matthew BERSANI

J.D. of Columbia University School of Law.

He was Partner of Shearman & Sterling (Hong Kong), and Head of Beijing Office of Paul, Weiss.

He is currently Partner / Founder of Cliff Group.

## 2. Basic information of the Supervisors:

Supervisor: Edwin Chan

Bachelor's degree.

He was Financial Services Director of American Express Bank (Hong Kong), Business Development Director of Charles Schwab (Hong Kong), and Head of Direct Business of Jardine Fleming Asset Management (Hong Kong).

He is currently Chief Administrative Officer, Asia Pacific of J.P. Morgan Asset Management.

Staff Supervisor: Judy Shui

Bachelor's degree.

She was Credit Officer of Bank of Communications Zhabei Branch, Senior Manager of Sales and Channel Management Business of Standard Chartered Bank, Senior Manager of Business Supervision of HSBC, and Head of Control Management Department of JPMorgan Asset Management (China) Company Limited.

She is currently Executive Director, CAO Office of JPMorgan Asset Management (China) Company Limited.

## 3. Basic information of General Manager:

Ms. Desiree Wang, General Manager

Master's degree.

She was China Country Head of J.P. Morgan Asset Management (JPMAM), Head of China Institutional Business of JPMAM, the Legal Representative and General Manager of J.P. Morgan Asset Management (China) Limited (WFOE).

#### 4. Basic information of other senior executives:

Mr. Du Meng, Executive Vice President

Graduated from Nanjing University with a Master's degree in Economics.

He worked as Analyst at Tiantong Securities, Central China Securities, Guosen Securities and BOC International (China) Limited. After joining JPMorgan Asset Management (China) Company Limited (formerly known as China International Fund Management Co., Ltd.), he served successively as Sector Specialist, Assistant Fund Manager, Fund Manager, VP/Head of Equity Department I and Senior Fund Manager.

Mr. Guo Peng, Executive Vice President

Graduated from Shanghai University of Finance and Economics with a Master's degree in Business Administration.

He has served successively as Marketing Manager, Deputy Marketing Director, Product and Customer Marketing Director, Marketing Director & Internet Finance Director and Assistant to General Manager of JPMorgan Asset Management (China) Company Limited (formerly known as China International Fund Management Co., Ltd.)

Ms. Liu Fei, Executive Vice President

Master's degree.

She was Managing Director / Head of Channel Management of E-Fund Fund Management Co., Ltd., CMO / Head of Retail Business Dept. of China Merchants Fund Management Co., Ltd.

Mr. Liu Fuwei, Executive Vice President

Master's degree.

He was Head of Institutional Wealth Management Department of Penghua Fund Management Co., Ltd., Head of institutional sales (MD) of JPMorgan Asset Management (China) Company Limited.

Ms. Hoiming Kwok, Executive Vice President

Master's degree.

She served as Chief Compliance Officer of Morgan Stanley Securities (China) Company Limited, and Nomura Orient International Securities Company Limited.

Ms. Hu Hailan, Executive Vice President

Bachelor's degree.

She served as Head of Finance of BNP Paribas (Shanghai), Head of Finance Department and Head of Administration Department of JPMorgan Asset Management (China) Company Limited.

Mr. Zou Shubo, Chief Compliance Officer

Bachelor's degree.

He was formerly the Senior Project Manager of Pan-China Certified Public Accountants, Chief Clerk of CSRC Shanghai Branch, Deputy Director and later Director of Compliance Department of JPMorgan Asset Management (China) Company Limited (formerly known as China International Fund Management Co., Ltd.)

Ms. Lu Rong, Chief Information Officer

Holder of a Master's degree.

Lu previously served as Head of IT Department in First Capital Investment Banking Co. (Previous J.P. Morgan First Capital Securities Co.), CTO of Investment & Research Business Line in Harvest Fund Management Co., Ltd.

## 5. The portfolio manager of the Fund

Mr. Liang Peng previously served as an industry analyst at SWS Research Co., Ltd., Deputy Director of Investment at New Power Capital Investment Co., Ltd. and portfolio manager at Taiping Fund Management Co., Ltd. He has joined JPMorgan Asset Management (China) Company Limited (formerly known as China International Fund Management Co., Ltd) since July 2023. Now he is the senior Portfolio Manager of the Domestic Equity Investment Department.

Mr. Xu Yunkai once served as the portfolio manager of the Fund from January 28, 2010 to December 7 2011, and Mr. Feng Gang once served as the portfolio manager of the Fund from December 7, 2011 to December 19, 2014, and Ms. Sun Fang once served as the portfolio manager of the Fund from December 19, 2014 to August 18, 2022, and Ms. Chen Siyu once served as the portfolio manager of the Fund from August 18, 2022 to February 8, 2024.

6. Names and positions of members of the Investment Decision-making Committee of the Fund Manager

Du Meng, Deputy General Manager and Chief Investment Officer; Zhu Xiaolong, Director of Research Department and Portfolio Manager; Li Bo, Head of Value Growth Group and Senior Portfolio Manager; Guo Chen, Head of Growth Group and Senior Portfolio Manager; Ni Quansheng, Head of Balanced Investment Group and Senior Portfolio Manager; Li Dehui, Senior Portfolio Manager.

The persons listed above are not close relatives to each other.

(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 offer, subscription, redemption and registration of fund units;
2. To handle the procedures for filing of the Fund;
3. To carry out separate management, separate book-entry and securities investment for different fund assets under management;
4. To determine the income distribution of the Fund in accordance with the provisions of the Fund Contract and to distribute the income to the Unitholders in a timely manner;
5. To carry out accounting and audit for the Fund and to prepare financial accounts and reports of the Fund;
6. To prepare interim and annual reports of the Fund;
7. To calculate and publish the NAV of the Fund, and to determine the Subscription and Redemption prices per fund unit;
8. To issue notification in relation to the asset management activities of the Fund;
9. To convene a Unitholders' meeting;
10. To keep records, books and statements and other relevant information in relation to the asset management activities of the Fund;
11. To represent the Unitholders to exercise the right of action or to conduct other legal proceedings for the benefits of Unitholders in the capacity of the Fund Manager;
12. Any other duties and responsibilities as stipulated by the securities regulatory authorities under the State Council.

#### (IV) Undertakings of the Fund 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 Fund Manager shall not engage in any activities that violate the *Securities Law of the People's Republic of China* (hereinafter referred to as the Securities Law) and other relevant laws and regulations. The Fund Manager shall establish a sound internal control system and adopt effective measures to prevent any breach of the Securities Law or non-compliance with other relevant laws and regulations.
3. The Fund Manager shall not engage in any of the following activities that violate the *Funds Law* and shall establish a sound internal control system and adopt effective measures to prevent the occurrence of activities prohibited under the laws and regulations:
  - (1) To invest in other funds, except as otherwise stipulated by the State Council;
  - (2) To prejudice the interests of Unitholders, and to provide fund assets to a third party as security, guarantee, capital lending or loan, except as otherwise used for financing guarantee stipulated by relevant regulations of the state;
  - (3) To engage in any investments which may result in the Fund being subject to unlimited liabilities;
  - (4) To engage in securities underwriting;
  - (5) To invest fund assets in the securities issued or underwritten during the underwriting period by companies in which the Fund Custodian or the Fund Manager has material interests;
  - (6) To violate the securities trading rules and manipulate and interfere with market prices;
  - (7) To prejudice the interests of Unitholders by violating laws and regulations;
  - (8) Any other activities prohibited by laws and regulations as well as the requirements of regulatory authorities.



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) To operate beyond its authority or in violation of the rules;
  - (2) To violate the Fund Contract or Fund Custody Agreement;
  - (3) To prejudice the legitimate interests of Unitholders or other Fund related institutions deliberately;
  - (4) To falsify materials submitted to CSRC;
  - (5) To refuse, interfere, obstruct or severely influence the lawful supervision of CSRC;
  - (6) To ignore duty and abuse power;
  - (7) To disclose any confidential information regarding the securities or funds known during its term of office, or any information, such as the investment contents of the Fund or the investment details of the Fund, which has not been published according to law;
  - (8) To violate the rules of securities exchanges, interfere with market order;
  - (9) To disclose false, misleading and fraudulent contents in the public information disclosure intentionally;
  - (10) Any other activities prohibited by laws and regulations and CSRC.
5. Undertakings of the portfolio manager
  - (1) Seek to maximise the benefits for the Unitholders on the basis of prudence, pursuant to the provisions of relevant laws and regulations and the Fund Contract;
  - (2) Not to make improper gains for himself, his agents, representatives, employees or any other third parties by taking advantage of his position;
  - (3) Not to disclose any confidential information regarding the securities or funds known during his term of office, or any information, such as the investment details of the Fund or the investment plans of the Fund, which has not been published according to law;
  - (4) Not to conduct any securities transaction in any way for other organisations or individuals.

(V) Internal Control System:

1. Principles of internal control:

The internal control of the Fund Manager adheres to the following principles:

- (1) Principles of robustness. Internal control should cover various business, departments or organisations and various levels of staff of the Fund Manager as well as all operational aspects, including decision-making, implementation, supervision and feedback.
- (2) Principles of effectiveness. Effective internal control procedures are established by means of scientific internal control procedures and methods so as to ensure the effective implementation of internal control system.
- (3) Principles of independence. The responsibility of each organisation, department and job position of the Fund Manager should remain independent from one other. The operation of fund assets, own assets and other assets of Fund Manager should be separated.
- (4) Principles of check and balance. The setup of the Fund Manager's internal departments and posts shall be clear with their rights and obligations delineated and checks and balances reinforced.
- (5) Principles of cost-effectiveness. Fund Manager reduces the cost of the business operations, enhances economic benefits by utilizing scientific management method, and achieves the best effects of internal control by controlling the cost reasonably.

2. The following principles should be adhered to in establishing internal control system:

- (1) Principle of legality and compliance. The internal control system of Fund Manager shall comply with applicable laws, regulations, provisions and rules of the State.
- (2) Principle of entirety. Internal control system should cover all aspects of the Fund Manager, no systematic gaps or loopholes should be left.
- (3) Principle of prudence. Prudent operation, risk prevention and mitigation should be considered in the establishment of internal control system.
- (4) Principle of timeliness. The internal control system should be modified or improved timely in line with any changes of related laws and regulations, and adjustments of internal and external environment such as adjustments of the Fund Manager's operation strategy, policy and philosophy.

### 3. The Fund Manager's representations on internal compliance control:

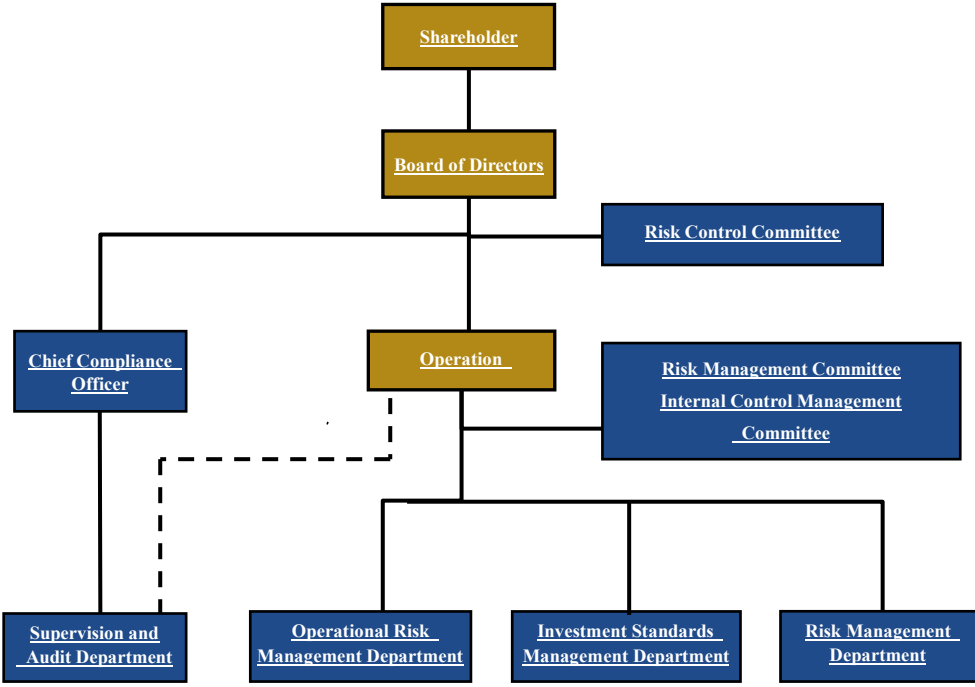
- (1) The Fund Manager assures the authenticity and accuracy of the information disclosed above on internal control;
- (2) The Fund Manager undertakes to improve its internal compliance control from time to time in light of the changes of the market and the developments of the Fund Manager.

### 4. Risk management system:

- (1) The board of directors has established the Risk Control Committee, which is mainly responsible for affairs including risk management strategy and control policy of the Fund Manager, and managing major unexpected risks.
- (2) The Chief Compliance Officer appointed by the Board of Directors is directly accountable to the board and responsible for reviewing, supervising and investigating the management and practices of the company and its staff, ensuring compliance.
- (3) Deliberative bodies related to risk management Risk Evaluation Joint Conference is have been set up under the operation management level to assist management in strengthening the construction of the Company's risk management system, promote risk management culture, regularly review reports of major issues in the risk management of the Company; participate in cross-departmental discussions, evaluations and decision-making for major risk issues; research and adopt appropriate measures for the prevention of major risks within the scope of authorisation of the management level; consider other matters related to the risk management of the company, and promote the company's risk management culture.
- (4) The Supervising and Auditing Department is independent from the Company's other business departments, accountable to the Chief Compliance Officer and responsible for independently reviewing, monitoring, inspecting and reporting on the Company's operational compliance. The Supervising and Auditing Department shall make timely proposals for improvements based on the issues identified during its supervision and inspection activities.
- (5) The Risk Management Department is responsible for the formulation and framework management of investment risks, liquidity risks, counterparty risk policies, as well as the construction and improvement of such, and the clarification of working requirements for risk identification, monitoring, evaluation and reporting.

- (6) The Operational Risk Management Department is responsible for assisting various departments in rectifying and amending internal control operation system, controlling and managing risk indicators on a regular or irregular basis based on evaluation of day-to-day operation of all departments and making recommendations on internal control.
- (7) The Investment Standards Management Department is responsible for the implementation and control of investment standards, to ensure that the investment operations of the Fund comply with laws and regulations, contracts and company internal requirements through the establishment of investment standards, pre-control and post-control.

**Risk management processes at JPMorgan Asset Management (China) Company Limited**



## IV. Fund Custodian

### (I) Information of the Fund Custodian

#### 1. Basic information

Name: China Merchants Bank Co., Ltd. (hereinafter referred to as “China Merchants Bank”)

Date of establishment: April 8, 1987.

Registered address: China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen

Office address: China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen

Registered Capital: RMB25.220 billion

Legal Representative: Miao Jianmin

President: Mr. Wang Liang

Asset custody business approval number: Zheng Jian Ji Jin Zi [2002] No.83

Telephone Number: 0755-83077987

Fax Number: 0755-83195201

Head of the information disclosure of the asset custody department: Zhang Shan

#### 2. Development Overview

China Merchants Bank was founded in April 8, 1987. Headquarters in Shenzhen, it was the first shareholding commercial bank controlled completely by corporate legal persons in China. Since its establishment, China Merchants Bank has carried out three expansions in capital and shares. In March 2002, it successfully issued 1.5 billion A-shares. On April 9, 2002, it was listed at Shanghai Stock Exchange (Stock Code: 600036). It is the first listed company in China adopting International Accounting Standards in its initial public offering. In September 2006, it successfully issued 2.2 billion H-shares. On September 22, 2006, it was listed at Hong Kong Stock Exchange (Stock Code: 3968). H-share over-allotment options were exercised on October 5, 2006, issuing 2.42 billion H-shares in total. As of September 30, 2023, the total assets of the Group reached RMB 10,668.01 billion. The capital adequacy ratio based on advanced approach was 17.38% and that based on weighting approach was 14.48%.

In August 2002, China Merchants Bank established the Fund Custody Department, which was renamed the Asset Custody Department in August 2005 with approval from the CSRC. The department currently has ten functional teams: the Fund and Broker Team, the Bank, Insurer and Trust Team, the Pension Fund Team, the Business Management Team, the Product Development Team, the Risk Management Team, the Systems and Data Team, the Project Support Team, the Operations Management Team and the Fund Outsourcing Business Team, with a total of 204 employees. In November 2002, with the approval from the People's Bank of China and the CSRC, China Merchants Bank obtained the qualification for securities investment fund custody business, and became the first listed bank with such qualification in China. In April 2003, the fund custody business was officially launched. As a commercial bank with the most comprehensive custody business qualifications, China Merchants Bank has been qualified for securities investment fund custody, trustee investment management custody, qualified foreign institution investor custody (QFII), qualified domestic institution investor custody (QDII) national social security fund custody, insurance fund custody, enterprise annuities custody, and Chinese depositary receipt pilot program depositary.

China Merchants Bank has developed the custody philosophy of “adapting to new trends and thinking for customers prospectively” and the core value of custody of “custody of wealth and delivery on commitments”. It has created a unique “6S Custody Bank” brand system to accomplish the mission of “protecting your business and wealth”, leading to emergence of a number of innovative custody systems, services, and products: China Merchants Bank was the first bank in Chinese bank industry to introduce “online custody bank system”, “general custody business system” and “six devotions” custody service standards, and the first bank to publish private equity fund performance analysis report and to open the first custody bank website in China. It also launched the first domestic custody big data platform, successfully provided custody for the first domestic securities firms collective fund management plan, the first FOF, the first trust fund plan, and the first private equity fund. Among all Chinese banks, China Merchants Bank was the first to achieve T+1 account transfer for money market fund redemption, and it also set up the first foreign bank QDII fund, the first dividend ETF fund, the first “1+N” special account fund management, the first major and minor non-deregulated assets, and the first single TOT keeping. China Merchants Bank has changed from a single custody service provider to a comprehensive investor service institution, and gained wide recognition in the industry.

The asset custodian business of China Merchants Bank enjoys healthy development and its social influence is growing. China Merchants Bank has been selected by The Asset magazine as “Best Professional Custody Bank in China” for four consecutive years. In June 2016, China Merchants Bank was awarded “China’s Best Custody Bank” by The Asset magazine, making it the only Chinese winner of this award; The “Tuoguantong” was granted the “Innovation Prize for Top Ten Financial Products” for 2016 in China by The Banker magazine; in July, the bank won the “Best Asset Custodian Bank” award under 2016 China Asset Management “Jinbei Prize”. In June 2017, China Merchants Bank was again awarded the honour of “The Best Custody Bank in China” by The Asset magazine. The “full-featured online custody bank 2.0” was granted the “Innovation Prize for Top Ten Financial Products” for 2017 in China by The Banker magazine. In August, the bank won the “Annual Chinese Custody Bank Award” by the international financial media authority “The Asian Banker”.

China Merchants bank was awarded the “Best Asset Custodian of the Year (2017)” by the China Central Depository and Clearing (CCDC) in January 2018, and its “Risk Management System for the Custodian Big Data Platform” won a “Jin Dianzi” gold award from the China Banking Regulatory Commission (CBRC) for the year 2016-2017 and a “Jin Dianzi” silver award from the Working Committee on Finance of the CPC Central Committee and the National Federation of Young Financial Professionals at the Communist Youth League’s fifth “quality and efficiency awards”; the bank received the “Best Fund Custodian Bank Award” (20th Anniversary of Publicly Offered Funds in China) in March, and the “Best Chinese Custodian Bank of the Year” offered by leading global financial magazine “The Asian Banker” in May. In December, it won the “2018 Best Custody Bank” and the “Most Reliable Custody Bank in 20 Years” of the 2018 Eastmoney Awards. In March 2019, China Merchants Bank was awarded the “2018 Best Fund Custodian Bank” by China Fund; in June, it won the three awards of “China’s Best Custodian Bank,” “China’s Best Pension Custodian Bank,” and “China’s Best Retail Fund Administrative Outsourcing Bank” by The Asset; in December, it was awarded the “2019 Best Custodian Bank” by 2019 Eastmoney Award. In January 2020, it was awarded the “2019 Outstanding Asset Custodian” by China Central Depository & Clearing Co., Ltd.; in June, it won three awards from The Asset: “China’s Best Custodian Bank”, “Best Mutual Fund Custodian” and “Best Mutual Fund Administration Outsourcing Bank”; in October, it was awarded the “2019 Best Fund Custodian Bank” by China Fund. In January 2021, it was awarded the “2020 Outstanding Asset Custodian” by the China Central Depository & Clearing Co., Ltd.; in January, it was awarded the “2020 Most Popular Custodian Bank” by 2020 Eastmoney Award; in October 2021, it received the “2021 Excellent Custodian Bank Award” offered by China Reform Investment Co., Ltd. and the “2021 Outstanding Asset Custodian Bank Gamma Award” offered by Securities Times; in December 2021, it was awarded the “2020 Best Fund Custodian Bank” of the Third Chinese Publicly-offered Fund Yinghua Awards by China Fund; in January 2022, it was awarded the “2021 Outstanding Asset Custodian and Valuation Institution” by China Central Depository & Clearing Co., Ltd.; in September, it was awarded the “Best Custodian Bank of China”, “Best Publicly-offered Fund Custodian Bank” and “Best Wealth Management Custodian Bank” by The Asset magazine. In December, it won the “2022 Tianji Award for Outstanding Asset Custodian Bank” from *Securities Times*. In January 2023, it received three major awards: the “2022 Outstanding Asset Custody Institution Award” from the China Central Depository & Clearing Ltd., the “2022 Outstanding Custody Institution Award” from the Interbank Market Clearing House Co., Ltd. and the “2022 Outstanding Interbank Domestic Currency Custody Innovation Award” from the National Interbank Funding Center. In April 2023, it won the “Custody Innovation Award” at the Second China Fund Industry Innovation Yinghua Awards hosted by *China Fund News*. In September 2023, it was awarded the “25-Year Mutual Fund Custodian Model Bank (National Joint-Stock Bank)” at the China Fund Industry Yinghua Awards hosted by *China Fund News*.

## **(II) Information of Key Personnel**

Mr. Miao Jianmin, Chairman and Non-executive Director of China Merchants Bank. Ph.D in Economics from the Central University of Finance and Senior Economist. Alternate member of the 19<sup>th</sup> and 20<sup>th</sup> Central Committee of the CPC. Chairman of China Merchants Group Limited. He served as Vice Chairman and President of China Life Insurance (Group) Company, Vice Chairman, President and Chairman of The People's Insurance Company (Group) of China Limited. He also concurrently served as Chairman of PICC Property and Casualty Co., Ltd., Chairman of PICC Asset Management Co., Ltd., Chairman of PICC Health Insurance Co., Ltd., Chairman of The People's Insurance Company of China (Hong Kong), Limited, Chairman of PICC Capital Investment Management Co., Ltd., Chairman of PICC Pension Co., Ltd. and Chairman of PICC Life Insurance Co., Ltd.

Mr. Wang Liang, born in December 1965, serves as Executive Director, Secretary of the CPC Committee and President of the Bank. He is a senior economist with a Master's degree from Renmin University of China. Mr. Wang Liang joined the Bank's Beijing Branch in June 1995. From October 2001, he successively served as Assistant General Manager, Deputy General Manager and General Manager of the Beijing Branch of the Bank. In June 2012, he was appointed as Assistant President of the Bank and concurrently as General Manager of the Beijing Branch of the Bank. In November 2013, he ceased to serve as General Manager of the Beijing Branch of the Bank. In January 2015, he was appointed as Vice President of the Bank. Between November 2016 and April 2019, he served concurrently as Secretary of the Board of Directors. Between April 2019 and February 2023, he served concurrently as Chief Financial Officer of the Bank. In August 2021, he was appointed as Executive Vice President of the Bank. Between August 2021 and April 2023, he served concurrently as Secretary of the Board of Directors, Company Secretary as well as the authorised representative in charge of matters in relation to listing in Hong Kong. On April 18, 2022, he took full charge of the Bank's operations. On May 19, 2022, he was appointed as Secretary of the CPC Committee of the Bank. On June 15, 2022, he was appointed President of the Bank. He concurrently serves as Vice President of the Payment & Clearing Association of China, a Director of the fourth session of the Professional Committee for Intermediary Business of the China Banking Association and an Executive Council Member of the sixth session of the Banking Accounting Society of China.



Mr. Peng Jiawen serves as Vice President, Chief Financial Officer and Secretary of the Board of Directors of the Bank. He is a senior economist with a Bachelor's degree in National Economic Planning from Zhongnan University of Economics and Law. Mr. Peng Jiawen joined the Bank in September 2001. He served successively as Assistant General Manager and Deputy General Manager of the Planning and Finance Department at the Head Office, Deputy General Manager and General Manager of the Retail Overall Management Department at the Head Office, Deputy General Manager and Deputy Executive of the Retail Finance Group at the Head Office, Deputy Executive of the Retail Finance Group at the Head Office and concurrently General Manager of the Retail Credit Department at the Head Office, General Manager of the Zhengzhou Branch of the Bank, General Manager of the Assets and Liabilities Management Department at the Head Office and Assistant President of the Bank. Since November 2023, he has served as Vice President of the Bank. He concurrently serves as Chief Financial Officer and Secretary of the Board of Directors of the Bank and General Manager of the Assets and Liabilities Management Department at the Head Office.

Ms. Sun Le, General Manager of Asset Custody Department of China Merchants Bank, holder of a Master's degree. She joined China Merchants Bank in August 2001 and successively served as the Deputy Manager and Manager of the Risk Control Department, Assistant to General Manager, Deputy General Manager and General Manager of the Credit Management Department, General Manager of the Corporate Banking Department, General Manager of the SME Finance Department and General Manager of the Investment Banking and Financial Market Department of Hefei Branch; Assistant to President and Vice President of Wuxi Branch; and Vice President of Nanjing Branch. She has more than 20 years of experience in the banking industry, and has extensive research and practical experience in risk management, credit management, corporate finance and asset custody.

### (III) Operations of Funds Custody Business

As of September 30, 2023, China Merchants Bank Co., Ltd. had provided custody service for 1,322 securities investment funds.

### (IV) Internal Control Systems of the Fund Custodian

#### 1. Objectives of Internal Control

China Merchants Bank ensures that its custody services strictly comply with relevant national laws and regulations and industrial regulatory rule, uphold the business philosophy of lawful and regulated operation, establishes scientific and reasonable decision-making, execution and supervision mechanisms to prevent and resolve operation risks, and guarantees the stable operation of custodial business and safety of assets in custody. Establish a risk control system to facilitate error checking, loophole minimizing, and elimination of potential risks, and to ensure stable business operation. Ensure true, accurate, complete, and timely custody business information. Ensure continuous improvement of internal control mechanisms and systems as well as different business systems and procedures.

#### 2. Organisational Structure of Internal Control

China Merchants Bank has established a three-level risk control and prevention system for asset custody business:

First level of risk control and prevention: Preventing and controlling risk at the group level. The Risk Management Department, Legal Compliance Department and Audit Department of the Head Office independently evaluate and supervise the asset custody business and make suggestions for the improvement of internal control management.

Second level of risk control and prevention: The risk control and compliance management team under the Asset Custody Department of China Merchants Bank is responsible for the department's internal risk prevention and control, timely discovery of internal control defects, proposal of correction plans, tracking of the correction progress and reporting to the General Manager Office of the department.

Third level of risk control and prevention: The Asset Custody Division of the bank follows the principle of “checks and balances” when defining specialist job positions in the Asset Custody Department. The checks and balances mechanism is established based on the level of risks involved in business operations.

### 3. Principles of Internal Control

- (1) Principle of entirety. Internal controls cover all business processes and operations, covering all teams and posts and inclusive of all employees.
- (2) Principle of prudence. Both the organisation of custody services themselves and the internal management systems are focused on risk prevention and prudent operations. Internal controls are the first priority.
- (3) Principle of independence. The responsibilities of different teams and positions in the custody services unit are independent, with firewalls between different custodial assets and between custodial assets and the bank's own assets. Internal control departments which are responsible for investigation and evaluation are independent of departments which establish and operate internal control systems.
- (4) Principles of effectiveness. The effectiveness of internal control includes the effectiveness of internal control design and implementation of internal control. The effectiveness of internal control design means that the design of internal control covers all important risks that should be paid attention to, and the designed risk response measures are appropriate. The effectiveness of internal control implementation means that the internal control can be implemented strictly and effectively in accordance with the design requirements.
- (5) Principles of adaptability. The internal control shall meet the needs of the CMB's custody business risk management, and shall be revised and optimised with the changes of internal environments such as custody business operation strategies, directions, and concepts as well as changes of external environments such as national laws, regulations and political systems etc.
- (6) Principles of firewall. The office premises of the CMB Asset Custody Department are separated from other business premises of the bank, the office network and the business network are physically separated, and the departmental business network and the bank's business network are strategically separated by the firewall to achieve the purpose of risk prevention.
- (7) Principles of importance. Internal controls offer controls over every part of the business, but there is a particular focus on important matters of key custodian services and high-risk links.
- (8) Principle of Check and Balance. The internal control shall create a mutual checking and mutual supervision system in terms of custody organisational structure, institutional settings, right and responsibility allocation, and business flows, while giving consideration to operation efficiency.

#### 4. Measures of Internal Control

- (1) Comprehensive systems. The CMB Asset Custody Department ensures rational, systematic and standardised operations in asset custody services through comprehensive systems and regulations covering internal control, product acceptance, accounting, clearing of funds, positions, document management and information management, which form a three-level system, including basic rules, business administration measures and business operating procedures, with clear system levels and management requirements to ensure full coverage of risk management.
- (2) Business information risk control. The CMB Asset Custody Department has strict encryption and backup measures in place to support data transmission and storage. All data are encrypted, transmitted over a hard network, and are backed up off-site in real time. Access to any operational data is subject to stringent authorisation requirements.
- (3) Customer data risk control. Asset Custody Division of China Merchants Bank keeps the customer information acquired during business handling strictly confidential. Unless stipulated by laws, regulations and any other relevant rules, or requested by the regulators and auditor, such information is not disclosed to any institution, department or individual.
- (4) IT system risk control. China Merchants Bank adopts a “two-person, double-post, and double-duty” system for management of computer rooms and access permissions of the IT systems. The computer rooms are attended 24 hours a day and can only be entered with access cards. Passwords and corresponding permissions are set up for all computers. Separations are made between business network and office network. The custody services network is “double separated” from the bank’s main operational network, and is protected by a firewall when connected to any external entity. Remote backup for the IT systems is on a double-redundant “three centres at two locations” system to external business institutions to ensure safety of IT systems.
- (5) Human Resources Control. Asset Custody Division of China Merchants achieves effective human resources management by building good corporate culture, employee training, incentive mechanism, reinforced HR management, and by building talent teams on different levels and a talent retention system.

(V) Methods and Procedures for Supervising the Fund Manager's Operation of the Fund by the Fund Custodian

The Fund Custodian monitors and checks the legality and compliance of the Fund's operations in terms of scope of investment and investment ratios and portfolio, in compliance with the Securities Investment Fund Law of the People's Republic of China, Administrative Measures on the Operation of Publicly Offered Securities Investment Funds, other laws and regulations, the Fund Contract and the Custody Agreement.

In the daily clearing and settlement services provided to the Fund's investment operation, the Fund Custodian inspects and supervises investment instructions given by the Fund Manager and withdrawals and payment of expenses by the Fund Manager. Instructions found to be in violation of any laws, regulations or the Fund Contract are rejected, and the Fund Manager is notified immediately.

If the Fund Custodian finds that an investment instruction issued by the Fund Manager, which has already come into effect according to the trading procedure, is in violation of a law, administrative regulation and/or other relevant rules or the Fund Contract, it notifies the Fund Manager immediately in writing that the violation must be remedied, and the time limit for rectification shall conform to the adjustment period allowed by law and the Fund Contract. After receiving the written notice sent by the Fund Custodian, the Fund Manager shall, within a specified time, reply and correct, or give explanation or evidence regarding the queries of the Fund Custodian. Where the Fund Manager fails to make correction despite the warning of the Fund Custodian, the Fund Custodian shall report to the CSRC.

## V. Relevant Service Institutions

### (I) Sales Institutions of Fund:

1. Direct sales institution: JPMorgan Asset Management (China) Company Limited (As above)

#### 2. Sales Agencies of Class A, Class C Units:

1 China Construction Bank Corporation

Registered Address: No. 25 Finance Street, Xicheng District, Beijing

Office Address: Building 1, No. 1 Naoshikou Street, Xicheng District, Beijing

Legal Representative: Tian Guoli

Customer Service Telephone Number: 95533

Company Website: [www.ccb.com](http://www.ccb.com)

2 Industrial and Commercial Bank of China Limited

Registered Address: No. 55 Fuxingmennei Street, Xicheng District, Beijing

Legal Representative: Chen Siqing

Customer Service Telephone Number: 95588

Company Website: [www.icbc.com.cn](http://www.icbc.com.cn)

3 Agricultural Bank of China Limited

Registered Address: No. 69, Jianguomennei Street, Dongcheng District, Beijing

Office Address: No. 69, Jianguomennei Street, Dongcheng District, Beijing

Legal Representative: Gu Shu

Customer Service Telephone Number: 95599

Company Website: [www.abchina.com](http://www.abchina.com)

4 Bank of China Limited

Registered Address: No. 1 Fuxingmennei Street, Xicheng District, Beijing

Office Address: No. 1 Fuxingmennei Street, Xicheng District, Beijing

Legal Representative: Ge Haijiao

Customer Service Telephone Number: 95566

Company Website: [www.boc.cn](http://www.boc.cn)

- 5 China Merchants Bank Co., Ltd.  
Registered Address: China Merchants Bank Tower, No. 7088, Shennan Street, Futian District, Shenzhen  
Office Address: China Merchants Bank Tower, No. 7088, Shennan Street, Futian District, Shenzhen  
Legal Representative: Miao Jianmin  
Customer Service Telephone Number: 95555  
Company Website: [www.cmbchina.com](http://www.cmbchina.com)
  
- 6 Bank of Communications Co., Ltd.  
Registered Address: No. 188, Middle Yincheng Road, Pudong New District, Shanghai  
Office Address: No. 188, Middle Yincheng Road, Pudong New District, Shanghai  
Legal Representative: Ren Deqi  
Customer Service Telephone Number: 95559  
Company Website: [www.bankcomm.com](http://www.bankcomm.com)
  
- 7 Shanghai Pudong Development Bank Co., Ltd.  
Registered Address: No. 500 South Pudong Road, Pudong New Area, Shanghai  
Office Address: No. 12, Zhongshan Dong Yi Road, Shanghai  
Legal Representative: Zheng Yang  
Customer Service Telephone Number: 95528  
Company Website: [www.spdb.com.cn](http://www.spdb.com.cn)
  
- 8 Industrial Bank Co., Ltd.  
Registered Address: No. 154, Hudong Road, Fuzhou  
Office Address: No. 167, Yincheng Road, Pudong New District, Shanghai  
Legal Representative: Lv Jiajin  
Customer Service Telephone Number: 95561  
Company Website: [www.cib.com.cn](http://www.cib.com.cn)
  
- 9 Bank of Shanghai Co., Ltd.  
Registered Address: No. 168 Middle Yincheng Road, China (Shanghai) Pilot Free Trade Zone  
Office Address: No. 168 Middle Yincheng Road, Pudong New Area, Shanghai  
Legal Representative: Jin Yu  
Customer Service Telephone Number: 95594  
Company Website: [www.bosc.cn](http://www.bosc.cn)

- 10 Bank of Jiangsu Co., Ltd.  
Office Address: No. 26 Zhonghua Road, Nanjing  
Legal Representative: Xia Ping  
Customer Service Telephone Number: 95319  
Company Website: [www.jsbchina.cn](http://www.jsbchina.cn)
  
- 11 China Everbright Bank Company Limited  
Registered Address: Ever Bright Center, No. 25 Taipingqiao Street, Xicheng District, Beijing  
Legal Representative: Wang Jiang  
Customer Service Telephone Number: 95595  
Company Website: [www.cebbank.com](http://www.cebbank.com)
  
- 12 China CITIC Bank Co., Ltd.  
Office Address: CITIC Tower, Building 1, No. 10 Guanghua Road, Chaoyang District, Beijing  
Legal Representative: Fang Heying  
Customer Service Telephone Number: 95558  
Company Website: [www.citicbank.com](http://www.citicbank.com)
  
- 13 China Minsheng Banking Corp., Ltd  
Registered Address: No.2 Fuxingmennei Street, Xicheng District, Beijing  
Legal Representative: Gao Yingxin  
Customer Service Telephone Number: 95568  
Company Website: [www.cmbc.com.cn](http://www.cmbc.com.cn)
  
- 14 Hua Xia Bank Co., Limited  
Registered Address: No.22, Jianguomennei Street, Dongcheng District, Beijing  
Office Address: No.22, Jianguomennei Street, Dongcheng District, Beijing  
Legal Representative: Li Minji  
Customer Service Telephone Number: 95577  
Company Website: [www.hxb.com.cn](http://www.hxb.com.cn)
  
- 15 Bank of Beijing Co., Ltd.  
Registered Address: 1/F, A17, Finance Street, Xicheng District, Beijing  
Office Address: C17, Finance Street, Xicheng District, Beijing  
Legal Representative: Huo Xuwen  
Customer Service Telephone Number: 95526  
Company Website: [www.bankofbeijing.com.cn](http://www.bankofbeijing.com.cn)



- 16 Bank of Ningbo Co., Ltd.  
Registered Address: No. 345 Ningdong Road, Yinzhou District, Ningbo  
Legal Representative: Lu Huayu  
Customer Service Telephone Number: 95574  
Company Website: [www.nbc.com.cn](http://www.nbc.com.cn)
  
- 17 Ping An Bank Co., Ltd.  
Registered Address: No. 5047 Shennandong Road, Luohu District, Shenzhen  
Office Address: No. 5047 Shennandong Road, Luohu District, Shenzhen  
Legal Representative: Xie Yonglin  
Customer Service Telephone Number: 95511 ext. 3  
Company Website: [www.bank.pingan.com](http://www.bank.pingan.com)
  
- 18 China Guangfa Bank Co., Ltd  
Registered Address: No. 713 East Dongfeng Road, Yuexiu District, Guangzhou  
Legal Representative: Yang Mingsheng  
Customer Service Telephone Number: 400 -830-8003  
Company Website: <http://www.cgbchina.com.cn>
  
- 19 Dongguan Rural Commercial Bank Co., Ltd.  
Registered Address: No. 2 Hongfu East Road, Dongcheng District, Dongguan, Guangdong  
Legal Representative: Wang Yaoqiu  
Customer Service Telephone Number: (0769) 961122  
Company Website: [www.drcbank.com](http://www.drcbank.com)
  
- 20 Shanghai Rural Commercial Bank Co., Ltd.  
Registered Address: Shanghai Rural Commercial Bank Building, No. 70 Zhongshan East 2<sup>nd</sup> Road  
Legal Representative: Xu Li  
Customer Service Telephone Number: 021-962999  
Company Website: [www.shrcb.com](http://www.shrcb.com)

- 21 Shenwan Hongyuan Securities Co., Ltd.  
Registered Address: 45/F, No. 989, Changle Road, Xuhui District, Shanghai  
Office Address: 45/F, Century Business Plaza, No. 989, Changle Road, Xuhui District, Shanghai  
Legal Representative: Yang Yucheng  
Customer Service Telephone Number: 95523 or 400-889-5523  
Company Website: [www.swhysc.com](http://www.swhysc.com)
- 22 Shenwan Hongyuan Western Securities Co., Ltd.  
Registered Address: Room 2005,20/F, Dacheng International Building, No. 358, Beijing South Road, High-tech District (Xinshi District), Urumchi, Xinjiang  
Office Address: Room 2005,20/F, Dacheng International Building, No. 358, Beijing South Road, High-tech District (Xinshi District), Urumchi, Xinjiang  
Legal Representative: Wang Xianjun  
Customer Service Telephone Number: 95523 or 400-889-5523  
Company Website: [www.swhysc.com](http://www.swhysc.com)
- 23 Shanghai Securities Co., Ltd.  
Registered Address: 7/F, Jiushi Business Building, No. 213, Middle Sichuan Road, Huangpu District, Shanghai  
Business Address: 7/F, Jiushi Business Building, No. 213, Middle Sichuan Road, Huangpu District, Shanghai  
Legal Representative: He Wei  
Customer Service Telephone Number: 021-962518 or 4008-918-918  
Company Website: [www.shzq.com](http://www.shzq.com)
- 24 Guotai Junan Securities Co., Ltd.  
Registered Address: No. 618 Shangcheng Road, China (Shanghai) Pilot Free Trade Zone  
Office Address: Guotai Junan Securities Tower, No. 768 West Nanjing Road, Jing'an District, Shanghai  
Legal Representative: He Qing  
Customer Service Telephone Number: 95521 or 400-8888-666  
Company Website: [www.gtja.com](http://www.gtja.com)
- 25 Guangfa Securities Co., Ltd.  
Registered Address: Room 618, No. 2 Tengfei 1<sup>st</sup> Street, Sino-Singapore Guangzhou Knowledge City, Huangpu District, Guangzhou, Guangdong  
Office Address: Guangfa Securities Building, No. 26 Machang Road, Tianhe District, Guangzhou  
Legal Representative: Lin Chuanhui  
Customer Service Telephone Number: 95575  
Company Website: [www.gf.com.cn](http://www.gf.com.cn)

- 26 China Merchants Securities Co., Ltd.  
Registered Address: No. 111 Fuhua 1<sup>st</sup> Road, Futian Street, Futian District, Shenzhen  
Legal Representative: Huo Da  
Customer Service Telephone Number: 95565  
Company Website: [www.cmschina.com](http://www.cmschina.com)
- 27 Everbright Securities Co., Ltd.  
Registered Address: No. 1508 Xinzha Road, Jing'an District, Shanghai  
Office Address: No. 1508 Xinzha Road, Jing'an District, Shanghai  
Legal Representative: Liu Qiuming  
Customer Service Telephone Number: 95525  
Company Website: [www.ebscn.com](http://www.ebscn.com)
- 28 China Galaxy Securities Co., Ltd.  
Registered Address: 101, 7-18/F, Building 1, No. 8 Xiyong Street, Fengtai District, Beijing  
Office Address: Qinghai Finance Building, Building No. 1, Compound No. 8, Xiyong Street, Fengtai District, Beijing  
Legal Representative: Wang Sheng  
Customer Service Telephone Number: 4008-888-888 or 95551  
Company Website: [www.chinastock.com.cn](http://www.chinastock.com.cn)
- 29 China Securities Co., Ltd.  
Registered Address: Building 4, No. 66 Anli Road, Chaoyang District, Beijing  
Office Address: No. 10 Guanghua Road, Chaoyang District, Beijing  
Legal Representative: Wang Changqing  
Customer Service Telephone Number: 95587 or 4008-888-108  
Company Website: [www.csc108.com](http://www.csc108.com)
- 30 Industrial Securities Co., Ltd.  
Registered Address: No. 268 Hudong Road, Fuzhou  
Legal Representative: Yang Huahui  
Customer Service Telephone Number: 95562  
Company Website: [www.xyzq.com.cn](http://www.xyzq.com.cn)
- 31 Haitong Securities Co., Ltd.  
Registered Address: Haitong Securities Building, No. 689 Guangdong Road, Shanghai  
Legal Representative: Zhou Jie  
Customer Service Telephone Number: 95553 or 4008888001  
Company Website: [www.htsec.com](http://www.htsec.com)

- 32 Guodu Securities Co., Ltd.  
Registered Address: 9-10/F, Guohua Investment Plaza, No. 3 South Dongzhimen Street, Dongcheng District, Beijing  
Office Address: 9-10/F, Guohua Investment Plaza, No. 3 South Dongzhimen Street, Dongcheng District, Beijing  
Legal Representative: Weng Zhenjie  
Customer Service Telephone Number: 4008188118  
Company Website: [www.guodu.com](http://www.guodu.com)
- 33 Guosen Securities Co., Ltd.  
Registered Address: 16-26/F, Guosen Securities Tower, No. 1012, Middle Hongling Road, Luohu District, Shenzhen  
Legal Representative: Zhang Nasha  
Customer Service Telephone Number: 95536  
Company Website: [www.guosen.com.cn](http://www.guosen.com.cn)
- 34 Huatai Securities Co., Ltd.  
Registered Address: Huatai Securities Plaza, No. 228 Jiangdong Road Middle, Jianye District, Nanjing, Jiangsu Province  
Legal Representative: Zhang Wei  
Customer Service Telephone Number: 95597  
Company Website: [www.htsc.com.cn](http://www.htsc.com.cn)
- 35 CITIC Securities Co., Ltd.  
Registered Address: North Tower, Times Square Excellence Phase II, No. 8 Zhongxin San Road, Futian District, Shenzhen, Guangdong  
Office Address: CITIC Securities Tower, No. 48, Liangmaqiao Road, Chaoyang District, Beijing  
Legal Representative: Zhang Youjun  
Customer Service Telephone Number: 95548  
Company Website: [www.citics.com](http://www.citics.com)
- 36 Orient Securities Co., Ltd.  
Registered Address: 22-29/F, Building 2, No. 318 South Zhongshan Road, Shanghai  
Legal Representative: Jin Wenzhong  
Customer Service Telephone Number: 95503  
Company Website: [www.dfzq.com.cn](http://www.dfzq.com.cn)

- 37 Chasing Securities Co., Ltd.  
Registered Address: 26/F, Tower T2 (Building B) Binjiang IFC, No. 112, Chazishan East Road, Yuelu District, Changsha, Hunan  
Office Address: 36/F, Shuntian International Fortune Center, No. 80, Section 2 of Middle Furong Road, Changsha, Hunan  
Legal Representative: Liu Wanchen  
Customer Service Telephone Number: 95317  
Company Website: <https://stock.hnchasing.com>
- 38 Xiangcai Securities Co., Ltd.  
Registered Address: 11/F, Building A, Xinnancheng Business Centre, No. 198 Xiangfu Middle Road, Tianxin District, Changsha  
Legal Representative: Gao Zhenying  
Customer Service Telephone Number: 95351  
Company Website: [www.xcsc.com](http://www.xcsc.com)
- 39 CITIC Securities (Shandong) Co., Ltd.  
Registered Address: Room 2001, Building 1, No. 222 Shenzhen Road, Laoshan District, Qingdao, Shandong  
Office Address: East Wing, Longxiang Plaza, No. 28, Donghai West Road, Shinan District, Qingdao  
Legal Representative: Xiao Haifeng  
Customer Service Telephone Number: 95548  
Company Website: [sd.citics.com](http://sd.citics.com)
- 40 BOCI Securities Co., Ltd.  
Registered Address: 39/F, BOCI Building, No. 200 Yinchengzhong Road, Pudong New Area, Shanghai  
Legal Representative: Ning Min  
Customer Service Telephone Number: 4006208888, or the inquiry Telephone Number of local business outlets  
Company Website: [www.bocichina.com](http://www.bocichina.com)

- 41 Greatwall Securities Co., Ltd.  
Registered Address: 10–19/F, Energy Mansion South Tower, No. 2026, Jintian Road, Futian Residential District, Futian District, Shenzhen  
Office Address: 10–19/F, Energy Mansion South Tower, No. 2026, Jintian Road, Futian Residential District, Futian District, Shenzhen  
Legal Representative: Zhang Wei  
Customer Service Telephone Number: 95514  
Company Website: [www.cgws.com](http://www.cgws.com)
- 42 Tebon Securities Co., Ltd.  
Registered Address: 9/F, South Building, No. 510, Caoyang Road, Putuo District, Shanghai  
Office Address: 29/F, Urban Construction Tower, No. 500 Fushan Road, Pudong New Area, Shanghai  
Legal Representative: Wu Xiaochun  
Customer Service Telephone Number: 4008888128  
Company Website: [www.tebon.com.cn](http://www.tebon.com.cn)
- 43 CICC Wealth Management Securities Co., Ltd.  
Registered Address : L4601–4608, China Resources Tower, No. 2666 South Keyuan Road, Haizhu Community, Yuehai Street, Nanshan District, Shenzhen  
Office Address: 18-21/F and 4/F, Building A, Rongchao Commercial Center, crossing of Yitian Road and Fuzhong Road, Futian District, Shenzhen  
Legal Representative: Gao Tao  
Customer Service Telephone Number: 95532  
Company Website: [www.ciccwm.com](http://www.ciccwm.com)
- 44 Huaifu Securities Co., Ltd.  
Registered Address: 3, 4, 5/F, Building 1, No. 27, Guping Road, Gulou District, Fuzhou, Fujian  
Legal Representative: Su Junliang  
Customer Service Telephone Number: 95547  
Company Website: [www.hfzq.com.cn](http://www.hfzq.com.cn)
- 45 SDIC Securities Co., Ltd.  
Registered Address: Essence Financial Building, No. 119 First Fuhua Road, Futian Street, Futian District, Shenzhen  
Office Address: Essence Financial Building, No. 119 First Fuhua Road, Futian Street, Futian District, Shenzhen  
Legal Representative: Duan Wenwu  
Customer Service Telephone Number: 95517  
Company Website: [www.essence.com.cn](http://www.essence.com.cn)

- 46 Changjiang Securities Co., Ltd.  
Registered Address: No. 88 Huaihai Road, Jiangnan District, Wuhan, Hubei  
Office Address: No. 88 Huaihai Road, Jiangnan District, Wuhan, Hubei  
Legal Representative: Jin Caijiu  
Customer Service Telephone Number: 95579 or 4008-888-999  
Company Website: [www.95579.com](http://www.95579.com)
- 47 Founder Securities Co., Ltd.  
Registered Address: 3701-3717, Building 4-5, Changsha Hua Center, No. 36 Section 2, Xiangjiang Middle Road, Tianxin District, Changsha, Hunan  
Office Address: 8/F, Founder Securities Building, No. 34 A, Fuchengmenwai Avenue, Xicheng District, Beijing  
Legal Representative: Shi Hua  
Customer Service Telephone Number.: 95571  
Company Website: [www.foundersc.com](http://www.foundersc.com)
- 48 Ping An Securities Co., Ltd.  
Registered Address: 22-25/F, Block B, Ping'an International Financial Centre, No. 5023 Yitian Road, Futian Residential District, Futian District, Shenzhen  
Office address: 22-25/F, Block B, Ping'an International Financial Centre, No. 5023 Yitian Road, Futian Residential District, Futian District, Shenzhen  
Legal Representative: He Zhijiang  
Customer Service Telephone Number: 95511-8  
Company Website: [www.stock.pingan.com](http://www.stock.pingan.com)
- 49 Donghai Securities Co., Ltd.  
Registered Address: 18/F Investment Plaza, No. 23 Yanling Road West, Changzhou, Jiangsu  
Office Address: Donghai Securities Tower, No. 1928 Dongfang Road, Pudong New Area, Shanghai  
Legal Representative: Qian Junwen  
Customer Service Telephone Number: 95531 or 400-8888-588  
Company Website: [www.longone.com.cn](http://www.longone.com.cn)
- 50 NOAH UPRIGHT (Shanghai) Fund Sales Co., Ltd.  
Registered Address: 6/F, No. 9, Lane 360, Feihong Road, Hongkou District, Shanghai  
Office Address: Noah Wealth Centre, No.1226 Shenbin South Road, Minhang District, Shanghai  
Legal Representative: Wu Weiguo  
Customer Service Telephone Number: 400-821-5399  
Company Website: [www.noah-fund.com](http://www.noah-fund.com)

- 51 Shanghai Changliang Fund Sales Co., Ltd.  
Registered Address: Room 220, Block 2, No. 526 Gaoxiang Road, Pudong New Area, Shanghai  
Office Address: 11/F, Lujiazui Financial Services Centre Phase II, No. 1267 Dongfang Road, Pudong New Area, Shanghai  
Legal Representative: Zhang Yuewei  
Customer Service Telephone Number: 400-820-2899  
Company Website: [www.erichfund.com](http://www.erichfund.com)
- 52 Beijing Myfund Sales Co., Ltd.  
Registered Address: No. 604, No. 607, 6/F, West Building, No. 11, Anyuan Road, Chaoyang District, Beijing  
Office Address: 3205 Pangu Plaza, No. 27, Middle North 4<sup>th</sup> Ring Road, Chaoyang District, Beijing  
Legal Representative: Yan Zhenjie  
Customer Service Telephone Number: 400-818-8000  
Company Website: [www.myfund.com](http://www.myfund.com)
- 53 Shanghai Huaxia Wealth Investment Management Co., Ltd.  
Registered Address: Room 268, 2/F, Building 1, No. 687 East Daming Road, Hongkou District, Shanghai  
Office Address: 8/F, Block B, Tongtai Building, No. 33 Financial Street, Xicheng District, Beijing  
Legal Representative: Mao Huaiping  
Customer Service Telephone Number: 400-817-5666  
Company Website: [www.amcfortune.com](http://www.amcfortune.com)
- 54 Shanghai Wind Fund Sales Co., Ltd.  
Registered Address: Block B, 11/F, No. 33 Fushan Road, China (Shanghai) Pilot Free Trade Zone  
Office Address: 11/F WIND Tower, No. 1500 Puming Road, Pudong New Area, Shanghai  
Legal Representative: Huang Yi  
Customer Service Telephone Number: 400-799-1888  
Company Website: [www.520fund.com.cn](http://www.520fund.com.cn)
- 55 Shanghai Jiyu Fund Sales Co., Ltd.  
Office Address: Suite 1503, Taiping Finance Tower, No. 488 Middle Yincheng Road, Pudong New Area, Shanghai  
Legal Representative: Wang Xiang  
Customer Service Telephone Number: 400-820-5369  
Company Website: [www.jiyufund.com.cn](http://www.jiyufund.com.cn)



- 56 Harvest Wealth Management Co., Ltd.  
Registered Address: No. 710, 7/F, Building 1, Phoenix Island, Tianya District, Sanya, Hainan  
Office Address: 11/F, Office Building C, Beijing International Club, No. 21, Jianguomenwai Street, Chaoyang District, Beijing  
Legal Representative: Zhang Feng  
Customer Service Telephone Number: 400-021-8850  
Company Website: [www.harvestwm.cn](http://www.harvestwm.cn)
- 57 DBS Bank (China) Limited  
Registered Address: Units 1301, 1306, 1701 and 1801, No. 1318, Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone  
Office Address: Units 1301, 1306, 1701 and 1801, No. 1318, Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone  
Legal Representative: Zheng Sizhen  
Customer Service Telephone Number: 400-820-8988  
Company Website: [www.dbs.com.cn](http://www.dbs.com.cn)
- 58 Citibank (China) Co., Ltd.  
Registered Address: Unit 01A, Unit 02A and Unit 04 on Level 28, Unit 02 on Level 29, Unit 01 on Level 30, Unit 01 and Unit 01B on Level 32, Unit 01 and Unit 03 on Level 33, Unit 01 on Level 34, and Level 35, Main Building of Citigroup Tower, No. 33 Huayuanshiqiao Road, Pudong New Area, Shanghai  
Office Address: Unit 01A, Unit 02A and Unit 04 on Level 28, Unit 02 on Level 29, Unit 01 on Level 30, Unit 01 and Unit 01B on Level 32, Unit 01 and Unit 03 on Level 33, Unit 01 on Level 34, and Level 35, Main Building of Citigroup Tower, No. 33 Huayuanshiqiao Road, Pudong New Area, Shanghai  
Legal Representative: AU SIU LUEN  
Customer Service Telephone Number: 8008301880  
Company Website: [www.citibank.com.cn](http://www.citibank.com.cn)
- 59 Standard Chartered Bank (China) Limited  
Registered Address: Standard Chartered Bank Building, No. 201 Century Avenue, Pudong New Area, Shanghai  
Office Address: 23/F, Urban Construction International Center, No. 500 Fushan Road, Pudong New Area, Shanghai  
Legal Representative: Zhang Xiaolei  
Customer Service Telephone Number: 956083/(0755)33382730  
Company Website: [www.sc.com/cn/](http://www.sc.com/cn/)

- 60 Sinolink Securities Co., Ltd.  
Registered Address: No. 95 Dongchenggen Upper Street, Qingyang District, Chengdu  
Office Address: No. 95 Dongchenggen Upper Street, Qingyang District, Chengdu  
Legal Representative: Ran Yun  
Customer Service Telephone Number: 95310  
Company Website: [www.gjq.com.cn](http://www.gjq.com.cn)
- 61 CITIC Futures Co., Ltd.  
Registered Address: Rooms 1301-1305 13/F and 14/F, North Tower, Zhuoyue Times Square (Phase II), No. 8 Zhong Xin Road No. 3, Futian District, Shenzhen  
Office Address: Rooms 1301-1305 13/F and 14/F, North Tower, Times Square Excellence (Phase II), No. 8 Zhong Xin San Road, Futian District, Shenzhen  
Legal Representative: Dou Changhong  
Customer Service Telephone Number: 400-990-8826  
Company Website: [www.citicsf.com](http://www.citicsf.com)
- 62 China Life Insurance Co., Ltd.  
Office Address: No. 16 Financial Street, Xicheng District, Beijing  
Legal Representative: Wang Bin  
Customer Service Telephone Number: 95519  
Company Website: [www.e-chinalife.com](http://www.e-chinalife.com)
- 63 CITIC Securities South China Co., Ltd.  
Registered Address: Room 1001 (Part: self-numbered 01), Room 901 (Part: self-numbered 01), No. 395 Linjiang Avenue, Tianhe District, Guangzhou  
Legal Representative: Chen Keke  
Customer Service Telephone Number: 95548  
Company Website: [www.gzs.com.cn](http://www.gzs.com.cn)
- 64 Hwabao Securities Co., Ltd.  
Office Address: 57/F, Shanghai World Financial Center, No. 100 Century Avenue, China (Shanghai) Pilot Free Trade Zone  
Registered Address: 57/F, Shanghai World Financial Center, No. 100 Century Avenue, China (Shanghai) Pilot Free Trade Zone  
Legal Representative: Liu Jiahai  
Customer Service Telephone Number: 400-820-9898  
Company Website: [www.cnhbstock.com](http://www.cnhbstock.com)

- 65 TF Securities Co., Ltd.  
Registered Address: 4/F, High-tech Building, No. 2 Guandongyuan Road, Donghu New Technology Development Zone, Wuhan, Hubei  
Office Address: 25/F, Building 2, TF Tower, No. 217 Zhongbei Road, Wuchang District, Wuhan, Hubei  
Legal Representative: Yu Lei  
Customer Service Telephone Number: 95391 or 400-800-5000  
Company Website: [www.tfzq.com](http://www.tfzq.com)
- 66 Shanghai Howbuy Fund Investment Services Co., Ltd.  
Registered Address: Unit 6211, No. 501 East Daming Road, Hongkou District, Shanghai  
Office Address: 10-14/F, China Resources Times Square, No. 500 Zhangyang Road, Pudong New Area, Shanghai  
Legal Representative: Tao Yi  
Customer Service Telephone Number: 400-700-9665  
Company Website: [www.ehowbuy.com](http://www.ehowbuy.com)
- 67 Shenzhen Zhonglu Financial Holding Co., Ltd.  
Registered Address: Rooms 12–13, 4/F, Phase 1, HALO Plaza, No. 8 Liyuan Road, Sunxi Community, Sungang Street, Luohu District, Shenzhen  
Office Address: Rooms 12–13, 4/F, Phase 1, HALO Plaza, No. 8 Liyuan Road, Sunxi Community, Sungang Street, Luohu District, Shenzhen  
Legal Representative: Xue Feng  
Customer Service Telephone Number: 4006-788-887  
Company Website: [www.zlfund.cn/www.jjmmw.com](http://www.zlfund.cn/www.jjmmw.com)
- 68 Ant (Hangzhou) Fund Sales Co., Ltd.  
Registered Address: Room 599 5/F Building 3, No. 969 Wenyi Road West, Cangqian Street, Yuhang District, Hangzhou, Zhejiang Province  
Office Address: 6/F, Building B, Huanglong Time Square, No. 18 Wantang Road, Xihu District, Hangzhou  
Legal Representative: Zu Guoming  
Customer Service Telephone Number: 95188-8  
Company Website: [www.fund123.cn](http://www.fund123.cn)

- 69 Shanghai Tiantian Fund Sales Co., Ltd.  
Registered Address: 2/F, Building No. 2, No. 190 Longtian Road, Xuhui, Shanghai  
Office Address: East Money Information Tower, No. 88 South Wanping Road, Xuhui District, Shanghai  
Legal Representative: Qi Shi  
Customer Service Telephone Number: 400-1818-188  
Company Website: [www.1234567.com.cn](http://www.1234567.com.cn)
- 70 Zhejiang Tonghuashun Fund Sales Co., Ltd.  
Registered Address: Room 903, Yuanmao Building, No. 1 Wener West Road, Hangzhou, Zhejiang Province  
Office Address: 2/F, Hangzhou E-commerce Industrial Park, No. 7 Cuibai Road, Hangzhou, Zhejiang Province  
Legal Representative: Wu Qiang  
Customer Service Telephone Number: 952555  
Company Website: [www.5ifund.com](http://www.5ifund.com)
- 71 Shanghai Lujinsuo Asset Management Co., Ltd.  
Registered Address: Unit 09, 14/F, No. 1333 Lujiazui Ring Road, Pudong New Area, Shanghai  
Office Address: 14/F, No. 1333 Lujiazui Ring Road, Pudong New Area, Shanghai  
Legal Representative: Hu Xueqin  
Customer Service Telephone Number: 400-821-9031  
Company Website: [www.lufunds.com](http://www.lufunds.com)
- 72 Beijing Hongdian Fund Sales Co., Ltd.  
Registered Address: Room 1015, 10/F, No. 17, East 3<sup>rd</sup> Ring Road North, Chaoyang District, Beijing  
Office Address: Room 1015, 10/F, No. 17, East 3<sup>rd</sup> Ring Road North, Chaoyang District, Beijing  
Legal Representative: He Jing  
Customer Service Telephone Number: 400-618-0707  
Company Website: [www.hongdianfund.com](http://www.hongdianfund.com)
- 73 Zhuhai Yingmi Fund Sales Co., Ltd.  
Registered Address: Room 105-3491, No. 6 Baohua Road, Hengqin New Area, Zhuhai  
Office Address: 12/F, South Tower, Poly International Plaza, No. 1 Pazhou Road East, Haizhu District, Guangzhou  
Legal Representative: Xiao Wen  
Customer Service Telephone Number: 020-89629066  
Company Website: <https://yingmi.com/>

- 74 Beijing Sina Cangshi Fund Sales Co., Ltd.  
Registered Address: Room 518, 5/F., Research Building, Sina Headquarters, Plot N-1, N-2, Zhongguancun Software Park Phase II, Wangsi Road, Northeastern part of Haidian District, Beijing  
Office Address: Room 518, 5/F., Research Building, Sina Headquarters, Plot N-1, N-2, Zhongguancun Software Park Phase II, Wangsi Road, Northeastern part of Haidian District, Beijing  
Legal Representative: Mu Feihu  
Customer Service Telephone Number: 010-62675369  
Company Website: [fund.sina.com.cn/fund/web/index](http://fund.sina.com.cn/fund/web/index)
- 75 JD Kenterui Fund Sales Co., Ltd.  
Registered Address: 1-7-2, 4/F, (Office) Building 1, No. 76 Zhichun Road, Haidian District, Beijing  
Office Address: Jingdong Group Headquarters, 18 Kechuang 11th Street, Block A, 15th Floor, Yizhuang Economic Development Zone, Beijing  
Legal Representative: Zou Baowei  
Customer Service Telephone Number: 4000988511  
Company Website: [kenterui.jd.com](http://kenterui.jd.com)
- 76 Zhongzheng Jinniu (Beijing) Fund Sales Co., Ltd.  
Registered Address: Rooms 2-45, Building No. 2, No. 1 Dongguantou, Fengtai District, Beijing  
Office Address: 4/F and 5/F, Building A, Xinhua News Agency Third Working Zone, Xuanwumen Wai Street, Xicheng District, Beijing  
Legal Representative: Wu Zhijian  
Customer Service Telephone Number: 4008-909-998  
Company Website: [www.jnlc.com](http://www.jnlc.com)
- 77 iFAST Financial China Ltd.  
Registered Address: Room 201, Block A, No. 1 Qianwan Road, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen (tenant of Shenzhen Qianhai Business Secretary Co., Ltd.)  
Business Address: Room 1704 17/F Block A Aerospace Science and Technology Plaza, Haide No. 3 Avenue, Nanshan District, Shenzhen  
Legal Representative: Teo Wee Howe  
Customer Service Telephone Number: 400-684-0500  
Company Website: [www.ifastps.com.cn](http://www.ifastps.com.cn)

- 78 Teng'an Fund Sales (Shenzhen) Co., Ltd.  
Registered Address: Room 201, Block A, No. 1 Qianwan 1st Road, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen (tenant of Shenzhen Qianhai Business Secretary Co., Ltd.)  
Office Address: 15/F, Tencent Seafront Towers, No. 33 Haitian 2nd Road, Nanshan District, Shenzhen  
Legal Representative: Liu Mingjun  
Customer Service Telephone Number: 4000-890-555  
Company Website: [www.tenganxinxi.com/www.txfund.com](http://www.tenganxinxi.com/www.txfund.com)
- 79 Beijing Snowball Fund Sales Co., Ltd.  
Registered Address: Room 1501, 15/F, Building 6, No. 34 Chuangyuan Road, Chaoyang District, Beijing  
Office Address: 22/F, Tower C, Ronsin Technology Center, Chaoyang District, Beijing  
Legal Representative: Li Nan  
Customer Service Telephone Number: 400-1599-288  
Company Website: [danjuanfunds.com](http://danjuanfunds.com)
- 80 Beijing Duxiaoman Fund Sales Co., Ltd.  
Registered Address: Room 103, 1/F, Building 4, West Zone, Courtyard 10, Xibeiwang East Road, Haidian District, Beijing  
Office Address: Building 4, West Zone, Courtyard 10, Xibeiwang East Road, Haidian District, Beijing  
Legal Representative: Sheng Chao  
Customer Service Telephone Number: 95055-4  
Company Website: [www.duxiaomanfund.com](http://www.duxiaomanfund.com)
- 81 Zhong Ou Wealth Fund Distribution Co., Ltd.  
Registered Address: Unit 502, No. 333, Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone  
Office Address: 6/F, Jiayu Tower, Building 8, No. 18 Gongping Road, Hongkou District, Shanghai  
Legal Representative: Xu Xin  
Customer Service Telephone Number: 400-700-9700  
Company Website: [www.zofund.com](http://www.zofund.com)

- 82 Shanghai Liantai Fund Sales Co., Ltd.  
Registered Address: Room 526, No. 15 Lane 900, Lanxi Road, Putuo District, Shanghai  
Office Address: No. 188 Lintong Road, Hongkou District, Shanghai  
Legal Representative: Yin Binbin  
Customer Service Telephone Number: 400-118-1188  
Company Website: [www.66liantai.com](http://www.66liantai.com)
- 83 Shanghai Lead Fund Sales Co., Ltd.  
Registered Address: Room 221, Building 6, No. 57 Tangnan Street, Yuepu Town, Baoshan District, Shanghai  
Office Address: 53/F, Pujiang International Financial Plaza, No. 1098 East Daming Road, Hongkou District, Shanghai  
Legal Representative: Li Xingchun  
Customer Service Telephone Number: 400-032-5885  
Company Website: [www.leadfund.com.cn](http://www.leadfund.com.cn)
- 84 Shenzhen Xinhua Xintong Fund Sales Co., Ltd.  
Registered Address: Room 201, Building A, No. 1 Qianwan 1st Road, Qianhai Hong Kong and Shenzhen Cooperation Zone, Shenzhen (in Shenzhen Qianhai Business Secretary Co., Ltd.)  
Office Address: Rooms 710 and 711, Huarong Building, No. 2003 Shennan Boulevard, Futian District, Shenzhen  
Legal Representative: Dai Yuan  
Customer Service Telephone Number: 400-000-5767  
Company Website: [www.xintongfund.com](http://www.xintongfund.com)
- 85 Yixin Puze (Beijing) Fund Sales Co., Ltd.  
Registered Address: Units 20A1 and 20A2, 20/F, No. 7 Guanghua Road, Chaoyang District, Beijing  
Office Address: Units 20A1 and 20A2, 20/F, No. 7 Guanghua Road, Chaoyang District, Beijing  
Legal Representative: Cai Danyang  
Customer Service Telephone Number: 400-6099-200  
Company Website: [www.yixinfund.com](http://www.yixinfund.com)

- 86 Eastmoney Securities Co., Ltd.  
Registered Address: Building 10, International Headquarters City, Liuwu New District, Lhasa, Tibet Autonomous Region  
Office Address: Golden Block, East Money Information Tower, No. 88 Wanping South Road, Xuhui District, Shanghai  
Legal Representative: Dai Yan  
Customer Service Telephone Number: 95357  
Company Website: [www.18.cn](http://www.18.cn)
- 87 Beijing Zhongzhi Fund Sales Co., Ltd.  
Registered Address: Room 5122, 5/F, No. 10 Hongda North Road, Beijing Economic-Technological Development Area, Beijing  
Office Address: 21/F and 29/F, Block B, Jindi Center, No. 91 Jianguo Road, Chaoyang District, Beijing  
Legal Representative: Wu Jianhua  
Customer Service Telephone Number: 400-8180-888  
Company Website: [www.zzfund.com](http://www.zzfund.com)
- 88 Dalian Wangjin Fund Sales Co., Ltd.  
Registered Address: Room 202, 2/F, Nuode Building, No. 22 Titan Road, Shahekou District, Dalian, Liaoning  
Office Address: Room 202, 2/F, Nuode Building, No. 22 Titan Road, Shahekou District, Dalian, Liaoning  
Legal Representative: Fan Huaidong  
Customer Service Telephone Number: 4000-899-100  
Company Website: [www.yibaijin.com](http://www.yibaijin.com)
- 89 Beijing Chuangjin Qifu Fund Sales Co., Ltd.  
Registered Address: Room 712, Building 6, No. 2 Baizhifang East Street, Xicheng District, Beijing  
Office Address: Room 712, Building 6, No. 2 Baizhifang East Street, Xicheng District, Beijing  
Legal Representative: Liang Rong  
Customer Service Telephone Number: 010-66154828  
Company Website: [www.5irich.com](http://www.5irich.com)



- 90 Huarui Insurance Sales Co., Ltd.  
Registered Address: 13–14/F, Block B, Building 1, Wintop Star Fortune Plaza, No. 399 Zhongren Road, Nanxiang Town, Jiading District, Shanghai  
Office Address: Building 8, No. 288 Xiangcheng Road, Pudong New Area, Shanghai  
Legal Representative: Yang Xinzhang  
Customer Service Telephone Number: 952303  
Company Website: [www.huaruisales.com](http://www.huaruisales.com)
- 91 China Merchants Bank Co., Ltd. FI Wealth Management  
Registered Address: China Merchants Bank Building, No. 7088 Shennan Avenue, Futian District, Shenzhen  
Office Address: China Merchants Bank Building, No. 7088 Shennan Avenue, Futian District, Shenzhen  
Legal Representative: Miao Jianmin  
Customer Service Telephone Number: 95555  
Company Website: [fi.cmbchina.com](http://fi.cmbchina.com)
- 92 Beijing Huicheng Fund Sales Co., Ltd.  
Registered Address: 401–2, 4/F Fuzhuo Building, No. A1 Xuanwumenwai Street, Xicheng District, Beijing  
Office Address: 401, Building D, Global Finance & News Center, No. A1 Xuanwumenwai Street, Xicheng District, Beijing  
Legal Representative: Wang Weigang  
Customer Service Telephone Number: 400-619-9059  
Company Website: [www.hcfunds.com](http://www.hcfunds.com)
- 93 Ding Xin Hui Jin (Beijing) Investment Management Co., Ltd.  
Office Address: Room 306, 3/F, Building 1, No. 40 Xiaoyun Road, Chaoyang District, Beijing  
Legal Representative: Qi Lingfeng  
Customer Service Telephone Number: 400-158-5050  
Company Website: [www.tl50.com](http://www.tl50.com)
- 94 Nanjing Suning Fund Sales Co., Ltd.  
Registered Address: No. 1–5 Suning Avenue, Xuanwu District, Nanjing, Jiangsu  
Office Address: No. 1 Suning Avenue, Xuanwu District, Nanjing, Jiangsu  
Legal Representative: Qian Yanfei  
Customer Service Telephone Number: 95177  
Company Website: [www.snjijin.com](http://www.snjijin.com)

- 95 HGCC Fund Sales Co., Ltd.  
Registered Address: 503, 5/F, North Building 6, East Kangning Street, South Dongfeng Road, Zhengzhou Area of Henan Pilot Free Trade Zone (Zhengdong)  
Office Address: 503, 5/F, North Building 6, East Kangning Street, South Dongfeng Road, Zhengzhou Area of Henan Pilot Free Trade Zone (Zhengdong)  
Legal Representative: Wen Liyan  
Customer Service Telephone Number: 400-0555-671  
Company Website: [www.hgccpb.com](http://www.hgccpb.com)
- 96 Taixin Wealth Fund Sales Co., Ltd.  
Registered Address: 1206, 10/F, No. B118 Jianguo Road, Chaoyang District, Beijing  
Office Address: 1206, 10/F, No. B118 Jianguo Road, Chaoyang District, Beijing  
Legal Representative: Peng Hao  
Customer Service Telephone Number: 400-004-8821  
Company Website: [www.taixincf.com](http://www.taixincf.com)
- 97 Guolian Securities Co., Ltd.  
Registered Address: No. 8 First Financial Street, Binhu District, Wuxi, Jiangsu  
Office Address: 702, Guolian Financial Tower, No. 8 First Financial Street, Taihu New Town, Binhu District, Wuxi, Jiangsu  
Legal Representative: Ge Xiaobo  
Customer Service Telephone Number: 95570  
Company Website: [www.glsc.com.cn](http://www.glsc.com.cn)
- 98 Shanghai Panwin Fund Sales Co., Ltd.  
Registered Address: Room 306, No. 1207 West Guangzhong Road, Zhabei District, Shanghai  
Office Address: Room 703, UOB Plaza, No. 116 Yincheng Road, Pudong New Area, Shanghai  
Legal Representative: Shen Ruyi  
Customer Service Telephone Number: 021-68889082  
Company Website: [www.pytz.cn](http://www.pytz.cn)
- 99 Bosera Wealth Fund Sales Co., Ltd.  
Registered Address: 19/F, Fund Mansion, No. 5999 Yitian Road, Fuxin Community, Lianhua Street, Futian District, Shenzhen, Guangdong  
Legal Representative: Wang Deying  
Customer Service Telephone Number: 400-610-5568  
Company Website: [www.boserawealth.com](http://www.boserawealth.com)

- 100 CITIC aiBank Corporation Limited  
Registered Address: 8/F, Building 3, No. 5 Anding Road, Chaoyang District, Beijing  
Legal Representative: Li Rudong  
Customer Service Telephone Number: 400-818-0100  
Company Website: [www.aibank.com](http://www.aibank.com)
- 101 Ji'an Fortune (Beijing) Fund Sales Co., Ltd.  
Registered Address: Room 1005, 10/F, Building 1, No. 16, Taiyanggong Middle Road, Chaoyang District, Beijing  
Legal Representative: Yang Jian  
Customer Service Telephone Number: 400-673-7010  
Company Website: [www.jianfortune.com](http://www.jianfortune.com)
- 102 Hywin Fund Distribution Co., Ltd.  
Registered Address: Room 401, No. 8 Yincheng Rd (M), China (Shanghai) Pilot Free Trade Zone  
Legal Representative: Sun Yachao  
Customer Service Telephone Number: 021-4008081016  
Company Website: <https://www.fundhaiyin.com/etrading/>
- 103 Shanghai DZH Fund Sales Co., Ltd.  
Registered Address: Room 1102, Building No. 1, No. 428 South Yanggao Road, China (Shanghai) Pilot Free Trade Zone  
Legal Representative: Zhang Jun  
Customer Service Telephone Number: 021-20292031  
Company Website: [www.wg.com.cn](http://www.wg.com.cn)
- 104 Hexun Information Technology Co., Ltd.  
Registered Address: Room 1002, No. 22 Chaowai Street, Chaoyang District, Beijing  
Office Address: 10/F, Prime Tower, No. 22 Chaowai Street, Chaoyang District, Beijing  
Legal Representative: Zhang Zhifang  
Customer Service Telephone Number: 400-920-0022  
Company Website: <http://licaike.hexun.com/>

The Fund Manager may choose other qualified institutions to sell the Fund as an agent in accordance with the requirements of applicable laws and regulations, and make public on its website. The specific share of fund units sold by agencies shall be subject to the public announcement.

### 3. Hong Kong Representative of Class H Units

Name: JPMorgan Funds (Asia) Limited

Registered Address: 19/F Chater House, 8 Connaught Road Central, Hong Kong

Office Address: 19/F Chater House, 8 Connaught Road Central, Hong Kong

Website: <https://www.jpmorgan.com/hk/am/>

### 4. Sales agencies of Class H Units

As of January 23, 2024, JPMorgan Funds (Asia) Limited, Bank of China (Hong Kong) Limited, China CITIC Bank International Limited, CMB Wing Lung Bank, DBS Bank (Hong Kong) Limited, Hang Seng Bank, Industrial and Commercial Bank of China (Asia) Limited, iFAST Financial (Hong Kong) Limited, Lion Global Financial Limited, OnePlatform Asset Management Limited, Shanghai Commercial Bank Ltd., Sun Hung Kai Investment Services Limited, and CITIC Securities Brokerage (HK) Limited are the sales agencies to market Class H Units of JPMorgan China Sector Rotation Fund in Hong Kong.

#### (II) Fund Registrar:

JPMorgan Asset Management (China) Company Limited (As above)

#### (III) Law Firm and Handling Lawyer:

Name: Grandall Legal Group (Shanghai) Law Firm

Registered Address: 31/F, Nanzheng Building, No. 580, Nanjingxi Road, Shanghai

Person in Charge: Guan Jianjun

Contact Telephone Number: 021-5234 1668

Fax Number: 021-5234 1670

Handling Lawyer: Xuan Weihua

#### (IV) Accounting Firm

Name: PricewaterhouseCoopers Zhong Tian LLP (Special general partnership)

Registered Address: Unit 507-01, DBS Bank Tower, No. 1318 Lujiazui Ring Road, China (Shanghai) Pilot Free Trade Zone

Office Address: 42/F, New Bund Center, No.588 Dongyu Road, Pudong New Area,, Shanghai, China

Managing Partner: Li Dan

Contact telephone Number: (021) 23238888

Fax Number: (021)23238800

Contact Person: Geng Yanan

Handling CPA: Ye Erdian, Geng Yanan

## **VI. Offering of the Fund and the Fund Contract Takes Effect**

Public offering of the Fund started on January 6, 2010 according to Reply for Approving Offering of CIFM China Sector Rotation Fund(Zheng Jian Xu Ke [2009] No. 1382)issued by China Securities Regulatory Commission (hereinafter abbreviated as “CSRC”) and was completed successfully on January 22, 2010.

According to the capital verification made by PricewaterhouseCoopers, the effective net subscribed amount during the offering period was RMB 3,617,107,465.38, which corresponds to 3,617,107,465.38 fund units. The bank interest generated from the subscribed amount before the day of confirmation of Fund capital verification was RMB 311,806.20, which corresponds to 311,806.20 fund units.

Upon obtaining the approval of the China Securities Regulatory Commission, the Fund Contract of the Fund came into effect on January 28, 2010. The Fund is a contractual type open-end equity fund, with an indefinite duration.

According to the Administrative Measures on the Operation of Publicly Offered Securities Investment Funds, from July 21, 2015, the fund type in the name of the Fund was changed into mixed securities investment fund.

## **VII. Subscription, Redemption and Switching of Fund Units**

### **(I) Places for Subscription and Redemption**

The Subscription and Redemption of the Fund will be made through the Sales Institutions. The specific sales outlets will be listed in the Prospectus or other notices by the Fund Manager. The Fund Manager may change, add or reduce the number of Sales Agencies under different circumstances and disclose the relevant information on its website. If the Fund Manager or its designated Sales Agencies provide(s) the transaction service through telephone, fax or Internet, etc., the Investors may make Subscription and Redemption via the aforesaid manners, and the specific methods shall be announced by the Fund Manager separately.

### **(II) Dealing Day and Time for Subscription and Redemption**

#### **1. Dealing Day and Business Hours**

Investors may process the Subscription and Redemption of fund units on a Dealing Day. The particular processing time is the trading hours on a normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange, unless the Fund Manager has announced the suspension of Subscription and Redemption in accordance with the Laws and Regulations or the requirement from the CSRC or as the provisions in the Fund Contract. The specific business hours on a Dealing Day are set out in the Prospectus.

After the Fund Contract has taken effect, if there are new securities trading markets or any changes in the Trading Hours of securities exchanges or other extraordinary situations, the Fund Manager shall adjust the aforesaid Dealing Day and Business Hours according to the situations, but it shall make an announcement on the Designated Media according to the relevant provisions of *Measures on Information Disclosure* prior to the date of implementation.

## 2. Commencement Day and Business Hours of Subscription and Redemption

The Fund Manager shall commence to deal with Subscription within 3 months from the Effective Date of Fund Contract. The specific business hours shall be stated in the announcement on the commencement of Subscription.

The Fund Manager shall commence to deal with Redemption within 3 months from the Effective Date of Fund Contract. The specific business hours shall be stated in the announcement on the commencement of Redemption.

After the commencement time for Subscription and the commencement time for Redemption have been determined, the Fund Manager shall make an announcement about the commencement time for Subscription and Redemption on the Designated Media according to the relevant provisions of *Measures on Information Disclosure* prior to the Subscription and Redemption Dealing Day.

The Fund Manager shall not process the Subscription, Redemption or switching applications of the fund units on the date or at the time other than that stipulated in the Fund Contract. When Investors apply for Subscription, Redemption or switching on the date and or at the time other than that agreed in the Fund Contract, the prices for the Subscription and Redemption of the fund units are those prices for the Subscription and Redemption of the fund units on the following Dealing Day.

## (III) Procedure of Subscription and Redemption

### 1. Application of Subscription and Redemption

The Investors shall, according to the procedure specified by the Sales Institutions, apply for Subscription or Redemption during the specific business hours of the Dealing Day.

The Investors shall have sufficient funds for Subscription according to the method specified by the Sales Institutions when they submit the application of Subscription. The Investors shall hold sufficient balance of the fund units when they submit the application of Redemption. Otherwise, the applications for Subscription and Redemption submitted will be invalid.

## 2. Confirmation of Application for Subscription and Redemption

The Fund Manager shall treat the day on which the applications for Subscription and Redemption are accepted before the end of trading hours as the application day of Subscription and Redemption (T Day). Under normal circumstances, Registrars shall confirm the validity of that transaction within T+1 Day. For the valid application submitted on T Day, the Investors may, after T+2 Day (inclusive), enquire about the status of confirmation of the application at the counters of Sales Outlets or through other methods specified by the Sales Institutions. The acceptance of the Subscription application by the Sales Institutions of the Fund does not indicate the application will necessarily be successful. Instead, it only indicates that the application is received by the Sales Institutions. The confirmation of the application shall be subject to the result of confirmation from the Registrars.

## 3. Payment for Subscription and Redemption

The payment for Subscription monies shall be made in full. If the Subscription monies are not paid in full within the specified time, the Subscription is deemed to be unsuccessful. If the Subscription is unsuccessful or invalid, the principal amount paid for the Subscription by an Investor shall be refunded by the Fund Manager or the Sales Agency designated by the Fund Manager to the Investor.

When Investor's application for Redemption is successful, the Fund Manager will pay the amount for Redemption within T+7 Day (inclusive). In case of Substantial Redemption, the payment shall be made according to the relevant provisions of the Fund Contract.

## (IV) Amount of Subscription and Redemption

1. The minimum Subscription amount for a single transaction is RMB 1 (including the Subscription fee) for Class A and Class C Units, and RMB 100 (including the Subscription fee) for Class H Units of the Fund. The Fund Investors shall not be subject to the minimum Subscription amount when purchasing fund units by using the fund income currently distributed.

The Fund Investors may apply for multiple Subscriptions, unless otherwise provided by Laws and Regulations or the CSRC.

2. Fund investors may redeem their fund units in whole or in part. The Fund shall be redeemed in denomination of units, and the application of Redemption of redeemed units is calculated with an accuracy of two decimal places. The number of units for each Redemption shall be no less than 1 unit for Class A and Class C Units and the balance of the Fund Account shall be no less than 1 unit; and the number of units for each Redemption shall be no less than 100 units for Class H Units and the balance of the Fund Account shall be no less than 100 units. If the balance of fund units in the Fund Account will be lower than the minimum number of units after a Redemption, the Redemption shall be made in one time. If the balance of fund units in the account is lower than the minimum number of units due to dividend reinvestment, non-trading transfer, agency transfer, Substantial Redemption, Fund Switching etc., the above provision is not applicable. However, the Redemption of all units shall be made in one time in the next Redemption.
3. The Fund Manager may determine the maximum number of fund units accumulated and held by an individual investor. For specific provisions, please refer to the updated Prospectus.
4. If accepting subscription applications may lead to a materially adverse effect on the interests of existing Unitholders, the Fund Manager shall take effective measures to protect existing Unitholders' legitimate rights and interests by setting an upper limit on the value of subscription of a single investor or single-day net subscription ratio, by rejecting large-sum subscriptions, or by suspending subscription transactions. Please refer to relevant announcements for further details.
5. The Fund Manager may, according to the market situation and to the extent permitted by Laws and Regulations, adjust the limit on Subscription amount and the limit on the number of units for Redemption as stated above. The Fund Manager must, prior to the adjustment, make an announcement on the Designated Media of CSRC according to the relevant provisions of *Measures on Information Disclosure*.

## (V) Subscription and Redemption Prices, Fees and their Purposes

### 1. Classes of Fund Units

The fund units are classified into different classes based on the sales location of the Fund and the difference in charging methods for Subscription fees, Redemption fees and Sales Service fees.

**Class A Fund Units:** Such fund units are only sold in Mainland China, and Subscription fee and Redemption fee shall be charged to such fund units and no Sales Services Fees are charged.



Class C Fund Units: Fund units for sale in Mainland China only, for which a redemption fee is charged but no subscription fee. Sales service fees are accrued from the Fund assets of this class.

Class H Fund Units: Such fund units are only sold in Hong Kong, China, and Subscription fee and Redemption fee shall be charged to such fund units and no Sales Services Fees are charged.

Codes are assigned to Class A, Class C and Class H Units of the Fund respectively.

Due to differences in the Fund fees, the NAV per Fund Unit of Class A, Class C and Class H Fund Units are calculated and announced separately.

Investors may choose the fund-unit class for subscription at their own discretion.

Under the circumstances that there is no violation on the Laws and Regulations and provisions in the Fund Contract and no substantial and adverse impact on the interests of Unitholders, the Fund Manager may, based on actual operation of the Fund and after the appropriate procedures are carried out, suspend sales of a certain class of fund unit, or adjust the fee rate of a certain class of fund unit, or add a new class of fund unit. The Fund Manager shall make a public announcement on a timely basis and submit the case to CSRC for record prior to such adjustment, without the requirement of convening a Unitholders' meeting.

## 2. Calculation of Fund Subscription Units

Investors subscribing to Class A and Class H Fund Units are required to pay a Subscription fee. If an investor has made multiple subscriptions, the applicable fee rate is calculated on a per-transaction basis. Subscriptions to Class C Fund Units do not involve a Subscription fee.

(1) Subscription calculation methods for Class A and Class H Fund Units:

Subscription Fee = (Subscription Amount × Subscription Fee Rate) / (1 + Subscription Fee Rate),  
or Subscription Fee = fixed Subscription fee amount

Net Subscription Amount = Subscription Amount – Subscription Fee

Subscription Units = Net Subscription Amount / NAV per Fund Unit of such class on T Day

The Subscription Fee Rates of Class A and Class H fund units are shown as follows:

The Subscription Fee Rates of Class A Units are shown as follows:

Range of Subscription Amount	Rate
Less than RMB 1 million	1.5%
Above RMB 1 million (inclusive), less than RMB 5 million	1.0%
Above RMB 5 million (inclusive)	RMB 1,000 per transaction

The Subscription Fee Rate of Class H Units shall not exceed 5% of the Subscription Amount.

(2) Subscription calculation methods for Class C Fund Units:

Subscription Units = Net Subscription Amount / NAV per Fund Unit of Class C on T Day

3. Calculation of the Redemption Amount

The Redemption amount of the Fund is the amount resulting from deducting the Redemption fee from the Total Redemption Amount. Where:

Total Redemption amount = Redeemed Units × NAV of such class of Fund Unit on T Day

Redemption fee = Total Redemption amount × Redemption fee rate

Redemption amount = Total Redemption amount – Redemption fee

The Redemption fee rates of all classes of fund units are shown as follows:

The Redemption fee rates of Class A Units are shown as follows:

Duration of Holding Fund Units	Rate
< 7 days	1.5%
≥ 7 days, < 1 year	0.5%
≥ 1 year, < 2 years	0.25%
≥ 2 years	0%

The Redemption Fee Rate of Class H Units shall not exceed 0.5% of the Redemption Amount of fund units.

The Redemption fee rates of Class C Units are shown in the table below:

Duration of Holding Fund Units	Rate
< 7 days	1.5%
≥ 7 days, < 30 days	0.5%
≥ 30 days	0%

4. Fund codes are assigned to Class A Units, Class C Units and Class H Units of the Fund respectively, and their respective NAV per Fund Unit on T Day shall be calculated separately after the closing of business hours on that day, and published within T +1 Day. Under special circumstances, the calculation or announcement may be postponed as appropriate upon the consent of the CSRC are obtained.
5. Method of handling the balance of Subscription units: The number of valid Subscription units is resulted from dividing the net Subscription amount by the NAV per Fund Unit on the same day and the valid units are expressed in unit. The above calculation result shall be rounded to the second decimal place. Any income or loss arising from such rounding shall be borne by the assets of the Fund.

6. Method of handling the Redemption amount: The Redemption amount is calculated by multiplying the number of valid units redeemed which are actually confirmed, with the NAV per Fund Unit on the same day and deducting corresponding fees. The Redemption amount is denominated in Yuan. The above calculation result shall be rounded to the second decimal place. Any income or loss arising from such rounding shall be charged to the assets of the Fund.
7. When calculating the NAV of the all classes of fund units of the Fund, the result shall be rounded from the fifth decimal place to the fourth decimal place. Any errors arising therefrom shall be charged to the assets of the Fund.
8. The Subscription fees of the Fund shall be borne by Investors and shall be charged when the Subscriptions of fund units are made by the Investors. Such Subscription fees shall not be credited to the assets of the Fund, and are primarily used to cover various fees incurred by the marketing, sales, registration, etc. of the Fund.
9. The Redemption fees shall be borne by the Unitholders who redeem the fund units and shall be charged when the Redemption of fund units is made by the Unitholder. The Fund will charge a redemption fee of no less than 1.5% on class-A investors who hold fund units for less than seven consecutive days. The full amount charged should be credited to assets under management. Moreover, 25% of the total redemption fees paid by class-A investors who hold fund units for seven consecutive days or more shall be credited to the assets of the Fund, and the remaining 75% shall be used to pay the registration fee and other necessary handling fees. All redemption fees paid by Class C Units and Class H Units investors shall be credited to the assets of the Fund.
10. The Subscription fee rate of the Fund shall not be more than 5% of the Subscription amount, and the Redemption fee rate shall not be more than 5% of the Redemption amount. The Subscription fee rates, the Redemption fee rates and the method of fee charging of the Fund are determined in accordance with the provisions of Fund Contract by the Fund Manager and are set out in the Prospectus. The Fund Manager may adjust the rate or method of fee charging within the scope specified in the Fund Contract, and shall make an announcement on the Designated Media of CSRC according to the relevant provisions of Measures on Information Disclosure before the implementation date of new rate or method of fee charging.
11. The Fund Manager may establish fund promotion plan according to market condition without violation of the provisions of Laws and Regulations as well as the agreements in the Fund Contract, and conduct fund promotion activities which target to the Investors who make fund transactions through specific transaction channels (such as online transactions, telephone transactions, etc.) on a regular or irregular basis. During the period of fund promotion activities, the Fund Manager may, after performing the necessary formalities in accordance with the requirements of relevant regulatory authorities, reduce the Subscription fee rate of the Fund, the Redemption fee rate of the Fund, and Sales Service fee rate appropriately.

12. In order to promote the alignment of staff and investor interests, the Fund Manager encourages its staff to subscribe to this Fund, and where appropriate, offers a certain discount on the subscription fee.
13. Fund Sales Agencies may hold events and offer discounted fee rates. Investors are advised to pay attention to their announcements made from time to time. The Fund Manager will not publish such announcements repeatedly.

#### (VI) Rejection or Suspension of Subscription

The Fund Manager may reject or suspend the acceptance of the Investor's application of Subscription in any of the following circumstances:

1. The Fund fails to operate normally due to Force Majeure.
2. The Fund Manager fails to calculate the NAV of the Fund for that day due to the abnormal closure of stock exchanges during the trading hours.
3. The occurrence of any situation relating to the suspension of valuation of the fund assets specified in the Fund Contract.
4. The size of fund assets is too large that the Fund Manager may fail to find any appropriate types of investment, or other circumstances that may bring negative effects to the Fund's performance and thus may harm the interests of the existing Unitholders.
5. A Fund Manager's acceptance of a certain subscription application may, intentionally or unintentionally, result in a given investor's proportion of units reaching or exceeding the 50% limit, or avoiding the 50% limit rule.
6. The Fund Manager, after consulting with the Fund Custodian, shall suspend accepting subscription applications if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day;

7. The Fund Manager believes that the acceptance of a particular or several Subscriptions may harm the interests of existing Unitholders.
8. Circumstances where the Fund Manager accepts subscription applications from certain investors which may jeopardise the interests of the Fund or Fund Unitholders, as such investors violate the applicable laws, regulations or rules etc.
9. Other situations as stipulated by the provisions of Laws and Regulations or the CSRC.

If any of the above circumstances occurs and the Fund Manager decides to suspend Subscription, the Subscription monies will be returned to the Investors in full. If there is a suspension of Subscription as set out in the above items 1, 2, 3, 4, 6, 9, the Fund Manager shall publish the Subscription suspension announcement in the Designated Media and on the Fund Manager's website. When there is no such circumstances of suspension of Subscription, the Fund Manager shall resume the Subscription business on a timely basis and make an announcement.

#### (VII) Suspension of Redemption or Deferral Payment of Redemption Monies

The Fund Manager may suspend the acceptance of Redemption applications of the Investors or defer the payment of Redemption monies in any of the following circumstances:

1. The Fund fails to operate normally due to Force Majeure.
2. The Fund Manager is unable to calculate the NAV of the Fund for that day due to the abnormal closure of stock exchanges during the business hours.
3. The occurrence of Substantial Redemption for two or more consecutive Dealing Days.
4. The occurrence of any situation relating to the suspension of valuation of the fund assets specified in the Fund Contract.
5. The Fund Manager, after consulting with the Fund Custodian, shall postpone issuing payments for redemption or suspend accepting redemption applications if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day.
6. Other situations as stipulated by the provisions of Laws and Regulations or the CSRC.

In the event of occurrence of the above circumstances, the Fund Manager shall report to the CSRC for record on the same day. For the Redemption applications that have already been accepted, the Fund Manager shall make full payment on schedule. If the full payment cannot be made for the time being, the Fund Manager may make payments to the applicants of Redemption proportionately according to the ratio of the amount of application made from a single account to the total amount of applications. A deferral payment can be made on the outstanding portion, and the Redemption amount shall be calculated based on the NAV per Fund Unit of the subsequent Dealing Day. In the case there is a Substantial Redemption for two or more consecutive Dealing Days, the deferral of payment shall not exceed 20 Business Days and shall be announced on the Designated Media. When applying for Redemption, the Investors may choose in advance to withdraw the portion of Redemption that has not been accepted on that day. When there is no such circumstance of suspension of Redemption, the Fund Manager shall resume the Redemption business on a timely basis and shall make an announcement.

## (VIII) Situation and Treatment of Substantial Redemption

### 1. Determination of Substantial Redemption

Within a single Dealing Day, if the net Redemption application of the fund units (i.e. the balance resulting from the total amount of units of Redemption application plus the total amount of units of switching-out in Fund switching, and minus the total amount of units of Subscription application and the total amount of units of switching-in in Fund switching) is more than 10% of the total fund units on the preceding day, it shall be deemed as a Substantial Redemption.

### 2. Treatment of Substantial Redemption

In case of Substantial Redemption, the Fund Manager may decide, based on the prevailing status of the asset portfolio of the Fund, to accept Redemption applications in full or to defer part of the Redemption applications.

- (1) Full Redemption: If the Fund Manager believes it is able to pay for all Redemption applications of the Investors, the Redemption shall be executed according to the normal Redemption procedure.

- (2) **Partial Deferred Redemption:** When the Fund Manager believes there are difficulties in the payment for Redemption applications of the Investors, or believes that the realisation of assets as a result of the payment for the Redemption applications of Investors may cause a relatively great fluctuation to the NAV of the Fund, the Fund Manager may defer the payment for the remaining Redemption applications, provided that Redemptions accepted on that day shall not be less than 10% of the total fund units on the preceding Business Day. For the Redemption applications on the day, the Fund Manager shall determine the units of Redemption to be accepted on that day based on the ratio of the amount of Redemption application made from a single account to the total amount of redemption applications. For the portion which is unable to be redeemed, the Investor may choose to defer or cancel the Redemption when submitting the application for Redemption. Where the Investor chooses to defer the Redemption, the fund units will be automatically carried forward to the next Dealing Day with continuous Redemption process, until all the fund units have been redeemed; where the Investor chooses to cancel the Redemption, the portion of Redemption application which has not been accepted on that day will be withdrawn. The deferred portion of any Redemption application will be processed together with the Redemption application on the next Dealing Day without any priority and the amount of Redemption shall be calculated based on the NAV per Fund Unit of that the next Dealing Day, and so on and so forth until all fund units have been redeemed. If the Investor does not make any clear choice when submitting the application for Redemption, the portion that has not been redeemed by the Investor will be automatically treated as deferred Redemption.
- (3) If the substantial redemption occurs and the substantial redemption requested by a single investor exceeds 20% of the total number of fund units recorded on the previous fund trading day, the Fund Manager may postpone redemption of the portion in excess of 20% of the total number of fund units requested by such investor. Redemption of fund units held by the investor at or below the 20% cut-off point and redemptions requested by other investors on the same day will be processed according to the provisions in the preceding paragraphs. Refer to relevant announcements for further details.
- (4) **Suspended Redemption:** In case of Substantial Redemption for no less than two (inclusive) consecutive Dealing Days, the Fund Manager may suspend the acceptance of Redemption applications if necessary. Payment for the accepted Redemption applications may be deferred for at most 20 Business Days, and the Fund Manager shall make an announcement on the Designated Media.

### 3. Announcement of Substantial Redemption

In the case of the above Deferred Redemption and the deferral of acceptance, the Fund Manager shall, within 3 trading days, give a notice to the Unitholders to state the relevant treatment methods through mail, fax or other methods specified in the Prospectus, and make an announcement on the Designated Media at the same time.



(IX) Announcement on Suspension of Subscription or Redemption and Announcement on Re-opening of Subscription or Redemption

1. In the event of occurrence of the above circumstances of suspension of Subscription or Redemption, the Fund Manager shall make an announcement for such suspension on the Designated Media within the prescribed time limit.
2. If the suspension lasts for one day, the Fund Manager shall make an announcement of the re-opening of Subscription or Redemption on the Designated Media on the day of re-opening, and shall publish the NAV per Fund Unit of the latest Dealing Day.
3. If the suspension lasts for more than one day but less than two weeks, the Fund Manager shall announce the re-opening of Subscription or Redemption on Designated Media in accordance with the rules, when the suspension concludes and the Subscription or Redemption are re-opened, and shall publish the NAV per Fund Unit of the last Dealing Day.
4. If the suspension lasts for more than two weeks, the Fund Manager shall announce the suspension at least once every two weeks during the suspension period. When the suspension concludes and the Fund Subscription or Redemption is re-opened, the Fund Manager shall consecutively publish the announcement of the re-opening of Subscription or Redemption on Designated Media in accordance with the rules, and shall publish the NAV per Fund Unit of the last Dealing Day.

(X) Switching of the Fund

The Fund Manager may, according to the relevant Laws and Regulations and the provisions of the Fund Contract, decide to launch the Switching business between the Fund and other funds under the management of the Fund Manager and of which the registration is made at the same Registrar. Certain Switching fees may be charged for Fund Switching. Relevant rules shall then be formulated and published by the Fund Manager according to the relevant Laws and Regulations and the provisions of the Fund Contract and shall be notified to the Fund Custodian and the relevant institutions in advance.

(XI) Non-trading Transfer of the Fund

Non-trading transfer of the Fund refers to the non-trading transfer accepted by the Registrars for inheritance, donation and judicial enforcement and other non-trading transfer recognised by the Registrars and in compliance with the Laws and Regulations. Regardless of any of the above-mentioned circumstances, the subject transferee must be the Investor who can hold the fund units of the Fund according to laws.

Inheritance refers to the situation where a Unitholder deceased and his/her fund units are inherited by the legal heir; donation refers to the situation where a Unitholder donates his/her legally held fund units to any charity funds or social groups; judicial enforcement refers to the situation where a judicial authority compulsorily transfers the fund units of a Unitholder to another natural person, legal person or other organisations according to a valid judicial document. To process the non-trading transfer, the relevant materials required by the Registrars must be provided, and those applications for non-trading transfer that satisfy the conditions will be dealt with according to the stipulation of Registrar. The Sales Institution which accepts the application of non-trading transfer can impose the transfer fees at the stipulated standard rate.

#### (XII) Agency Transfer of the Fund

Unitholders may carry out the agency transfer of fund units held between different Sales Institutions and the Sales Institutions of the Fund may charge an agency transfer fee at a rate according to the stipulated standards.

#### (XIII) Periodic Investment Plan

The Fund Manager can make the Periodic Investment Plan for the Investor and the specific rules are determined in the announcement or the updated Prospectus published at the scheduled time by Fund Manager. When making the Periodic Investment Plan, the Investor can decide the amount debited for each installment by himself, and the debit amount for each installment must not be less than the minimum Subscription amount of the Periodic Investment Plan stipulated in the related announcement or the updated Prospectus published by Fund Manager.

#### (XIV) Freezing and unfreezing of the Fund

The Registrars only accept the freezing and unfreezing of fund units as required by relevant authorities in the State in compliance with laws or the freezing and unfreezing fund units under other circumstances recognised by the Registrars and in compliance with the Laws and Regulations. If the Fund Accounts or fund units are frozen, the interests incurring from the frozen portion shall also be frozen.

#### (XV) Subscription and Redemption of the Fund during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, please refer to the “Side Pocket Mechanism” section of this Prospectus or relevant announcements to be released on the occasion for details of the Fund’s subscription and redemption arrangements.

## **VIII. Investments of the Fund**

### **(I) Investment Objectives**

The Fund aims to, through capturing the pattern of correlations between assets rotation, industrial strategy and economic cycles, achieve long-term steady excess return of fund assets in an environment of changing prosperity by exploring opportunities in listed companies which demonstrates core competitive advantage in the dominant industries during cyclical economic fluctuations.

### **(II) Investment Scope**

The Fund invests in financial instruments with good liquidity, including A-shares, Chinese depositary receipts, treasury bonds, financial bonds, corporate bonds, notes of central bank, convertible bonds, warrants which are issued and listed in China according to laws and other financial instruments which are permitted for fund investment by the securities regulatory authorities of the state for securities investment. The asset allocation of the Fund's investment portfolio is: stock assets covers 60% - 95% of the Fund's assets; bonds, warrants, cash, money market instruments and other financial instruments which are permitted for fund investment by the securities regulatory authorities of the state covers 5% - 40% of the Fund's assets; among them, cash or government bonds with a maturity less than one year covers not less than 5% of NAV of the Fund. Cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable. The Fund will invest not less than 80% of the stock assets in stocks of the listed companies with core competitive advantages in the dominant industries.

For any investment categories that will be permitted for the Fund's investment by laws and regulations or the regulators in future, the Fund Manager can incorporate such investment categories into the investment scope of the Fund after fulfilling appropriate procedures.

If there are any changes to the above proportions required by relevant laws and regulations, upon the approval of the CSRC, the investment scope of the Fund will be adjusted accordingly and the proportions as adjusted shall prevail.

### **(III) Investment Concepts**

In different stages of the economic development cycles, different industries are facing different development opportunities and challenges, which are reflected as the mid-term and long-term rotation of the industry investment income in the stock market. Different enterprises in various industries also face different investment opportunities. The Fund seeks to achieve stable investment returns by exploring the listed companies with core competitive advantages in the dominant industry in the fluctuations in the economic cycles.

## (IV) Investment Strategies

International experiences indicate that the cycle rotation exists in the development of industries under the influence of fluctuations in macro economic cycles. Some industries can perform better in particular stages in the economic cycle and become dominant in such stages. It is reflected as the mid-term and long-term rotation of the industry investment income in the stock market. Different enterprises in various industries also face different investment opportunities. The Fund seeks to achieve stable excess returns over the various market environments by grasping the changes in economic cycles, relying on the comprehensive judgment of factors such as macro economy, industry policy, extent of industry prosperity and market fluctuation, adopting the combinations of top-down asset allocation strategies, industry allocation strategies and bottom-up stock selection strategies, and selecting individual stocks with core competitive advantages in the dominant industry.

### 1. Asset Allocation Strategies

For allocation of primary categories of assets of the Fund, a method combining the quantitative analysis and qualitative analysis will be adopted from a macroscopic level, and the primary categories of assets will be actively allocated by a comprehensive analysis of integrating macroeconomic environment, policy situation, extent of industry prosperity and securities market trends. The two key drivers affecting the assets income include fundamentals and liquidity. The fundamentals driver mainly refers to changes of factors, such as performance growth, interest rate environment and inflation expectation under the impact on economic cycle and inflation cycle; the liquidity driver mainly manifests as influences of changes in money market environment, specifically including movements in exchange rates and changes in liquidity structures, etc. With the relative changes of characteristics of risks and returns of various types of assets, the Fund shall adjust the investment proportion of stocks, bonds and money market instruments in a timely manner.

### 2. Industry Allocation Strategies

The Fund applies the “Investment Clock Theory”, whereby the Fund conducts an industry allocation based on macro economic cycle analysis, explores industries in the stages of prosperity recovery and prosperity rising in each stage of economic cycle, investigates the pattern of correlations between industry rotation and market fluctuation in the economic cycles, grasps the relative strong and weak relationship among the industries and the on-going cycles of dominant industries, increases the allocation in industries with higher expected yield, decreases and withdraws the allocation in industries with lower expected yield.

## 1) Investment Clock Theory

The classic Investment Clock Theory is a method that links asset rotation and industry strategies with economic cycles. Based on various changes in production gap and inflation rate, the economic cycles shall be divided into four stages: recession, recovery, overheating and stagflation. The difference in sensitivity of different industries on macroeconomic fluctuation deduces the industry rotation under the economic cycles. The Investment Clock Theory provides a very practical instructional method: focus on defensive growth investments in the economic recession; focus on cyclical growth investments in the economic recovery; focus on cyclical value investments in the economic overheating; focus on defensive value investments in the economic stagflation.

## 2) Industry Classification

The Fund adopts the industry classification standard of TX Investment Consulting. The Fund may alter the industry classification standard according to the economic development and market changes upon the approval of the Investment Decision-making Committee of the Fund Manager.

## 3) Evaluation System for Industry Investment Value

Based on fundamentals of the Investment Clock Theory, the Fund Manager has established the “Evaluation System for Industry Investment Value” in order to consider and examine the relative performances of the industries in different economic cycles. The “Evaluation System for Industry Investment Value” analyses the investment value of industry mainly from the two perspectives of industry prosperity and valuation:

### A. Judgment of industry prosperity

The long-term factors which influence the industry prosperity include economic cycles, life cycles of industry, upgrading of industry structure, upgrading of consumption structure, etc. The short-term factors include inflation and exchange rate, etc. Besides these factors, the Fund also makes its judgment on the industry prosperity based on some quantitative indicators, including leading indicator (investment growth rate) and lagging indicator (industry profit growth trend). If the investment growth rate starts to decrease and the industry profit growth rate keeps in a fast pace, it indicates that the peak of the industry prosperity will come soon; if the investment growth rate starts to decrease and the industry profit growth rate also starts to decrease, it indicates that the industry prosperity is in the downturn cycle; if the investment growth rate starts to increase and the industry profit growth rate starts to decrease, it indicates that the industry is at the bottom of the prosperity or near the bottom stage; if the investment growth rate starts to increase and the industry profit growth rate speeds up, it indicates that the industry is in the industry prosperity’s growth stage (see the table below).

Indicator performance	Investment growth rate decreases	Investment growth rate increases
Industry profit growth rate decreases	Prosperity in the depression stage	Prosperity in the bottom stage
Industry profit growth rate increases	Prosperity in the recession stage	Prosperity in the rising stage

The indicators for measuring the industry profit growth trend mainly include the core business income growth rate, core business profit growth rate, gross profit rate and net asset yield, etc. of the industry in the recent three years. Special attention should be paid to the trends of changes in key factors of industry segments, including throughput (port industry), rate of operation or price (petrochemical industry), sales-output ratio (auto industry), sales revenue/sales area (real estate industry) and market penetration rate (telecommunication industry), etc.

#### B. Valuation level: valuation level of industry trends

The valuation levels of various industries are investigated by using the overall valuation level of A-share as the benchmark and combining the comparison with international valuations. The primary investigation areas are the industry relative valuation level (industry valuation/average market valuation) and industry PEG (industry valuation/industry profit growth rate).

Based on the above evaluation system for industry investment value, the Fund Manager applies the Porter's Five Forces Analysis (a classic model for analysing on industry attractiveness, competitiveness and corporate strategies) and assigns ratings to the investment values of all industries on a quarterly basis, and thus decides the investment weights of various industries. If the macro strategy team of the Fund Manager believes that there are sudden changes in the industry ratings in special circumstances such as issuing of major State policies, the industries' investment ratings can be temporarily adjusted.

#### 4) Principles for Industry Optimal Allocation

Prosperity	Valuation level	Investment ratings
Prosperity in the rising stage	Low valuation level	Grade A
Prosperity in the rising stage	High valuation level	Grade B
Prosperity in the bottom stage	Low valuation level	Grade C
Prosperity in the bottom stage	High valuation level	Grade D
Prosperity in the recession stage	High or low valuation level	Grade E
Prosperity in the depression stage	High or low valuation level	Grade F

For the industries with prosperity in the rising stage and low valuation level, their investment ratings are rated as Grade A and are allocated with focal and extra investment by the Fund. Their

maximum allocation proportion can reach 80% of the stock assets. For the industries with prosperity in the rising stage but relatively high valuation level, their investment ratings are rated as Grade B and their maximum allocation proportion can reach 60% of the stock assets. The industries with prosperity in the bottom stage and lower valuation level are rated as Grade C, and they are the key industries that the Fund focuses on. Their maximum allocation proportion can reach 50% of the stock assets; the industries with prosperity in the bottom stage but high valuation level are rated as Grade D are allocated at low level or not allocated by the Fund. The industries with prosperity in the recession and depression stages are rated as Grade E and Grade F and they are not allocated in principle.

Meanwhile, the Fund will also grasp the industrial investment opportunities brought by factors such as the national policies, industry policies, industrial integration, market demand and technological advancement.

### 3. Stock Selection

The investment of the Fund focuses on the listed companies with maximum benefit level and core competitive advantages in dominant industries. The main evaluation criteria include:

- 1) The core business of the company has outstanding performance and core competitive advantages. The company is in the monopoly position or has unique competitive advantages in the industry or industry segments such as monopolistic resources advantage, leading business model, stable and sound sales network, famous market brands or innovative products, etc.
- 2) The company possesses the capability for sustainable growth and growth potential. In addition to investigation on quantitative indicators measuring the company's growth and profit quality such as the income growth, the profit growth rate, and the net assets yield of the core business of the company over the past two to three years, more attention are paid to exploring the future growth potential of the company, and an in-depth analysis is carried out on the company's internal driving factors for performance growth and on whether these performance driving factors are sustainable from the perspective of the company's commercial profit model.
- 3) The company has advantages in terms of valuation. Adopt corresponding valuation methods against different industrial characteristics with reference to international valuation levels, compare the company's valuation level with that of the whole industry and that of the overall market valuation level, and choose the companies with dynamic valuation advantages.
- 4) The company has a sound corporate governance structure. Analyse the governance structure of the listed companies, the quality of their management and their competence for operation decision, and the efficiency of investment, etc., and judge whether the company has the ability to maintain long-term competitive advantages.

#### 4. Fixed Income Investment Strategies

For the selection of fixed income assets, the Fund will take value analysis as the main line, and implement active portfolio management on the basis of comprehensive research, and carry out investment management mainly through two levels, namely category placement and bond selection.

On the level of category placement, combined with the comprehensive analysis of various factors including the macro economy, market interest rates, supply and demand of bonds, etc., as well as based on the characteristics of risks and returns of category assets in the stock exchange market and the interbank market, an optimised allocation and adjustment of category assets of the investment portfolio shall be carried out regularly, so as to determine the optimal weightings of category assets.

As for the selection of bond types, the Fund focuses on selecting bonds types with good liquidity, reasonable risk level, higher yield to maturity and credit quality, on the basis of analysis on the mid to long term interest rate trends, combined with factors such as economic trends, monetary policies and levels of yields, liquidity and credit risks of various types of bonds. Specific Strategies are:

- (1) Interest rate anticipation strategy: The Fund will first make an analysis on the trend of changes in market and investment environment, based on the forecast of domestic and foreign economic conditions, with a focus on the change in the trend of interest rate. Through comprehensive analysis on factors such as macro economy, monetary policy and fiscal policy, trend of changes in price levels, etc., reasonable expectations on interest rate movements could be achieved.
- (2) Valuation strategy: Establish various yield curve forecast models, and make use of these models to evaluate and ascertain the trend of movements in price centres. Based on yields, liquidity, risk matching principles as well as valuation principles of bonds, an investment portfolio shall be constructed with reasonable choices of bond types with investment value in different markets.
- (3) Duration management: The Fund shall endeavour to grasp the quantitative relationship between the duration and the price volatility of bonds, and based on the expectations of changes in interest rates in the future and focusing on the evaluation of duration and changes of yields, to achieve reasonable allocation of investment types through duration management.
- (4) Liquidity management: The Fund, by paying close attention to cash flow of Subscription and Redemption, seasonal liquidity, calendar effect, etc., establishes warning indicators of portfolio liquidity and achieves structural management of the Fund's assets, so as to ensure the overall liquidity of the Fund's assets.



## 5. Investment strategies for convertible bonds

Convertible Bonds (including bonds embedded with warrants) have characteristics of both the equity securities and the fixed income securities, along with the features of being able to resist the downside risk, and sharing the stock price gains. The selection of convertible bonds shall be combined with their characteristics of both bond and stock, and valuation analysis shall be carried out on the basis of in-depth study on company fundamentals and the terms of convertible bonds, thus investment shall be made in the convertible bonds with excellent company fundamentals, higher margin of safety and good liquidity, so as to obtain a stable investment return.

## 6. Investment strategies for warrants

Warrants are the ancillary investment instruments of the Fund, and the investment principle is conducive to the appreciation of the Fund's assets and is conducive to strengthen the risk control of the Fund. When the Fund invests in warrants, it will, through an in-depth study on the fundamentals of the underlying securities of warrants and by combining with warrants pricing model and its indicators such as implied volatility, seek a reasonable valuation level of the warrants and make a prudent investment, so as to pursue relatively stable current income.

## 7. Investment strategies for Chinese depositary receipts

The Fund will invest in Chinese depositary receipts according to the Fund's investment objectives and stock investment strategies, and based on in-depth research and judgment on the investment value of the underlying securities.

## (V) Performance Comparison Benchmark

CSI 300 Index Yield×80% + SSE Treasury Bond Index Yield×20%

## (VI) Characteristics of Risks and Returns

The Fund is a mixed securities investment fund under active management and is a kind of securities investment fund with relatively higher risk. Its expected levels of risks and returns are higher than those of bond funds and money market funds and are lower than that of stock funds.

According to the Measures Governing the Suitability of Securities and Futures Investors implemented on July 1, 2017, the Fund Manager and relevant sales institutions have issued new risk ratings for the Fund. The issuing of risk ratings does not change the Fund's substantive risk-return characteristics, but due to changes in risk rating classification standards, the Fund's risk rating may change accordingly. The specific risk rating results are subject to the rating results provided by the Fund Manager and sales institutions.

## (VII) Investment Restrictions

### 1. Portfolio restrictions

The Fund considers both the investment principles and intrinsic characteristics of open-end funds in respect of its investment strategy. Diversified investments are used to reduce the non-systematic risks of the assets of the Fund and to maintain good liquidity of the fund portfolio. The investment portfolio of the Fund is subject to the following restrictions:

- (1) The market value of stocks of one listed company held by the Fund shall not be more than 10% of the NAV of the Fund;
- (2) The number of outstanding shares issued by a listed company held by all open-ended funds managed by the Fund Manager should not exceed 15% of the total number of outstanding shares issued by such listed company;
- (3) The number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager should not exceed 30% of the total number of outstanding shares issued by such listed company;
- (4) The market value of all warrants held by the Fund shall not be more than 3% of the NAV of the Fund;
- (5) The securities issued by a company which are held by all funds under the management of the Fund Manager shall not be more than 10% of such securities;
- (6) The warrants held by all funds under the management of the Fund Manager shall not be more than 10% of such warrant;
- (7) The capital balance financed through the bonds repurchased by the Fund in the national interbank market shall not be more than 40% of the NAV of the Fund;
- (8) Stocks assets cover 60%-95% of the Fund's assets; while bonds, warrants, cash, money market instruments and other financial instruments permitted by the securities regulatory authority of the State for fund investment cover 5%-40% of the Fund's assets;

- (9) The Fund shall invest not less than 80% of the stock assets in the stocks of the listed companies with core competitive advantages in the dominant industry;
- (10) The proportion of various types of asset-backed securities of the same original holder invested in by the Fund shall not be more than 10% of the NAV of the Fund;
- (11) The market value of all the asset-backed securities held by the Fund shall not be more than 20% of the NAV of the Fund;
- (12) The proportion of the same (referring to the same credit rating) asset-backed securities held by the Fund shall not be more than 10% of the size of such asset-backed securities;
- (13) Various types of asset-backed securities of the same original holder invested in by all the funds under the management of the Fund Manager shall not be more than 10% of the aggregate size of its various types of asset-backed securities.
- (14) The Fund shall invest in the asset-backed securities with a credit rating of Grade BBB or above. During the period of the asset-backed securities being held by the Fund, if the credit rating thereof are downgraded and no longer meets the investment standard, all of the downgraded asset-backed securities shall be sold within 3 months from the date of rating report;
- (15) Where the assets of the Fund participates in the subscription for share issuance, the amount reported by the Fund shall not be more than the total assets of the Fund and the number of shares reported by the Fund shall not be more than the total number of shares to be issued by the share issuer for this issuance;
- (16) The total amount of warrants bought in by the Fund on any trading day shall not be more than 0.5% of the NAV of the Fund on the preceding trading day;
- (17) The Fund shall maintain cash or government bonds with maturity within one year at a level of not less than 5% of the NAV of the Fund. Cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable;
- (18) The market value of assets with trading restrictions in which the Fund invested should not exceed 15% of the Fund's NAV.

In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- (19) Where the Fund carries out a reverse repurchase as the counterparty to a private equity product or another entity recognised by the CSRC, the requirements on the collateral offered should be consistent with the investment scope in the Fund Contract;
- (20) The percentage limit of the Fund's investment in Chinese depositary receipts shall conform with that of domestically listed and traded stocks, and shall be calculated in combination with domestically listed and traded stocks, unless otherwise provided by laws, regulations, or regulatory agencies;
- (21) In the event that the limits on the portfolio ratio agreed in the Fund Contract are changed by the Laws and Regulations, the amended ratio limit shall prevail. If the aforesaid limitations are cancelled by the Laws and Regulations or the regulatory authorities and such cancelled limitations are applicable to the Fund, the investment of the Fund shall no longer be subject to the relevant limitations.

If the investment proportion of the Fund does not comply with the above specified investment proportions due to the factors not attributable to the Fund Manager, such as fluctuation in securities market, merger of listed companies, change in fund size, etc., except items (14), (17), (18) and (19), the Fund Manager shall make adjustment within 10 trading days. Under the aforesaid special circumstances, the Fund Manager shall make adjustments according to the provisions of CSRC and relevant Laws and Regulations.

The Fund Manager shall enable the proportions of the investment portfolio of the Fund in compliance with that prescribed in the Fund Contract within 6 months from the Effective Date of Fund Contract. With the exception of investment assets allocation proportion, the Fund Custodian shall start supervising and inspecting the investment ratios of the Fund from the Effective Date of Fund Contract.

## 2. Prohibited Activities

In order to maintain the legitimate interests of the Unitholders, the assets of the Fund shall not engage in the following investments or activities:

- (1) Underwriting of securities;
- (2) Granting loans or providing guarantee to other parties;
- (3) Making investments which are subject to unlimited liabilities;
- (4) Purchasing or selling units of other funds, except as otherwise stipulated by the State Council;
- (5) Making contributions to the Fund Manager or Fund Custodian, or purchasing or selling its stocks or bonds issued by the Fund Manager or Fund Custodian;
- (6) Purchasing or selling securities issued by or underwritten within the underwriting period by the shareholders who have controlling relationship with the Fund Manager or Fund Custodian or by the companies which have material beneficial interests with the Fund Manager or Fund Custodian;
- (7) Engaging in insider dealing, manipulation of trading prices of securities and other improper securities dealing activities;
- (8) Other activities prohibited by the CSRC pursuant to the relevant provisions of the Laws and Regulations;
- (9) If the aforesaid limitations are cancelled by the Laws and Regulations or the regulatory authorities and such cancelled limitations are applicable to the Fund, the investment of the Fund shall no longer be subject to relevant limitations.

(VIII) Principles and Methods for the Fund Manager in the Exercise of Shareholders' Rights and Creditors' Rights on Behalf of the Fund

1. The Fund Manager shall, according to the relevant regulations of the State, exercise the shareholders' rights and the creditors' rights independently on behalf of the Fund to protect the interests of the Unitholders;
2. Not seeking to controlling listed companies and not participating in the operation management of listed companies in which it has invested;
3. Beneficial to the safety and appreciation of the Fund's assets;
4. Not obtaining any undue benefits for itself, employees, authorised agents or any interested third parties by entering into any connected transactions.

(IX) Margin facility and securities borrowing of the Fund

The Fund may engage in margin facility and securities borrowing according to relevant Laws and Regulations of the State.

(X) Implementation and Investment Operation Arrangements of the Side Pocket Mechanism

When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, in accordance with the principle of protecting the interests of Unitholders to the greatest extent, the Fund Manager can activate the side pocket mechanism in accordance with laws and regulations and as agreed in the Fund Contract without convening a Unitholders' Meeting for deliberation after negotiation and agreement with the Fund Custodian and consultation with the Accounting Firm.

During the implementation of the side pocket mechanism, the investment portfolio ratios, investment strategies, portfolio restrictions, performance comparison benchmarks, and risk-return characteristics agreed in this Section are only applicable to the main pocket account.

The implementation conditions, implementation procedures, operation arrangements, investment arrangements, disposal, realisation and payment of specific assets and other matters of the side pocket account that have a significant impact on Investors' rights and interests are detailed in the "Side Pocket Mechanism" chapter of this Prospectus.

(XI) Investment Portfolio Report of the Fund

1. Portfolio of the Fund's assets at the end of the reporting period

No.	Items	Amount (Yuan)	Proportion in the Total assets of the Fund (%)
1	Equity Investment	463,719,624.21	87.85
	Among which: Stocks	463,719,624.21	87.85
2	Fixed Income Investment	-	-
	Among which: Bonds	-	-
	Asset-backed Securities	-	-
3	Precious metals investment	-	-
4	Financial Derivatives Investment	-	-
5	Financial Assets Purchased under Agreement to Resell	-	-
	Among which: Buyout Repo of Financial Assets Purchased under Agreement to Resell	-	-
6	Aggregate of Bank Deposit and Settlement Provisions	63,699,721.71	12.07
7	Other assets	407,604.58	0.08
8	Total	527,826,950.50	100.00

2. Stock investment portfolio categorised by industries at the end of the reporting period

Code	Categories of Industry	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
A	Agriculture, Forestry, Livestock Husbandry and Fishery	81,505,835.70	15.52
B	Mining	-	-
C	Manufacturing	281,187,860.76	53.53
D	Electricity, Heating Power, Gas and Water Production and Supply	-	-
E	Construction	-	-
F	Wholesale and Retail	-	-
G	Transportation, Storage and the Post	44,242,418.00	8.42
H	Accommodation and Catering	-	-
I	Information Transmission, Software and Information Technology Services	41,150,465.75	7.83
J	Financial	-	-
K	Real Estate	-	-
L	Leasing and Commercial Services	3,058.00	0.00
M	Scientific Research and Technology Services	-	-
N	Water Conservancy, Environment and Administration of Public Utilities	-	-
O	Residential Services, Repair and Other Services	-	-
P	Education	-	-
Q	Hygiene and Social Affairs	15,629,986.00	2.98
R	Culture, Sport and Entertainment	-	-
S	Comprehensive	-	-
	Total	463,719,624.21	88.28



3. Breakdown of top 10 stock investments (in descending order) ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period

No.	Stock Code	Stock Name	Quantity (shares)	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
1	002840	Huatong Meat	1,887,521	39,241,561.59	7.47
2	603477	Giantstar Farming & Husbandry	953,800	35,738,886.00	6.80
3	603379	Sanmei Chemical	1,007,200	34,244,800.00	6.52
4	600160	Juhua Co., Ltd.	1,975,800	32,580,942.00	6.20
5	601233	Tongkun Group	2,152,000	32,559,760.00	6.20
6	600176	China Jushi	3,271,200	32,155,896.00	6.12
7	002100	Tecon Biology	3,649,900	32,009,623.00	6.09
8	002352	S.F. Holding	777,400	31,406,960.00	5.98
9	002517	Kingnet Network	2,788,445	31,146,930.65	5.93
10	002714	Muyuan Foods	693,300	28,550,094.00	5.44

4. Bond investment portfolio categorised by bond types at the end of the reporting period

The Fund did not hold any bonds at the end of the reporting period.

5. Breakdown of top 5 bond investments (in descending order) ranked in terms of fair value as a percentage of NAV of the Fund at the end of the reporting period

The Fund did not hold any bonds at the end of the reporting period.

6. Breakdown of top 10 asset-backed securities (in descending order) investment ranked in terms of fair value as a percentage in the NAV of Fund at the end of the reporting period

The Fund did not hold any asset-backed securities at the end of the reporting period.

7. Breakdown of top 5 precious metals investment(in descending order) ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period

The Fund did not hold any precious metals at the end of the reporting period.

8. Breakdown of top 5 warrants investment (in descending order) ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period.

The Fund did not hold any warrants at the end of the reporting period

9. Description of the trades of stock index futures invested by the Fund at the end of the reporting period.

The Fund did not hold any stock index futures at the end of the reporting period.

10. Descriptions of the trades of the treasury bond futures invested by the Fund at the end of the reporting period.

The Fund did not hold any treasury bond futures at the end of the reporting period.

11. Notes to the investment portfolio report

- 1) During the reporting period, none of the issuers of the top 10 securities invested by the Fund was found to be under investigation by the regulatory authorities in the current period or being publicly condemned or punished within one year prior to the preparation date of the report.
- 2) During the reporting period, none of the top ten stocks invested by the Fund is outside of the scope of selected stock pool as stipulated in the Fund Contract.

### 3) Composition of other assets

No.	Name	Amount (Yuan)
1	Guarantee Deposit and Margin Paid	247,058.85
2	Receivables of Securities Clearing	-
3	Dividends Receivable	-
4	Interest Receivable	-
5	Subscription Proceeds Receivable	160,545.73
6	Other Receivables	-
7	Deferred Charges	-
8	Others	-
9	Total	407,604.58

### 4) Breakdown of convertible bonds in conversion period held at the end of the reporting period

This Fund did not hold any convertible bonds in conversion period at the end of the reporting period.

### 5) Description of restricted circulation of top 10 stocks at the end of the reporting period

Circulation of the top 10 stocks was not restricted at the end of the reporting period.

### 6) Other written description of the notes the investment portfolio report

In the portfolio report, there may be some differences between the sum of sub-items and the total amount due to rounding.

## IX. Performance of the Fund

The Fund Manager shall manage and utilise the fund assets with due diligence, honesty, good faith and prudence, but shall not guarantee any profits or minimum returns of the Fund. The Fund's past performance is not indicative of its future performance. Investment involves risks. Investors should read the Prospectus carefully before making investment decisions.

### JPMorgan China Sector Rotation Fund Class A

Phase	Growth rate of NAV <sup>①</sup>	Standard deviation of growth rate of NAV <sup>②</sup>	Benchmark yield performance <sup>③</sup>	Standard deviation of benchmark yield performance <sup>④</sup>	①－③	②－④
2010/01/28-2010/12/31	1.60%	1.15%	-1.15%	1.27%	2.75%	-0.12%
2011/01/01-2011/12/31	-24.51%	1.10%	-19.20%	1.04%	-5.31%	0.06%
2012/01/01-2012/12/31	13.69%	1.14%	6.71%	1.02%	6.98%	0.12%
2013/01/01-2013/12/31	45.18%	1.36%	-5.57%	1.11%	50.75%	0.25%
2014/01/01-2014/12/31	10.66%	1.19%	42.21%	0.97%	-31.55%	0.22%
2015/01/01-2015/12/31	60.03%	3.10%	5.68%	1.99%	54.35%	1.11%
2016/01/01-2016/12/31	-25.20%	1.94%	-8.35%	1.12%	-16.85%	0.82%
2017/01/01-2017/12/31	30.87%	1.28%	17.55%	0.51%	13.32%	0.77%
2018/01/01-2018/12/31	-32.45%	1.67%	-19.12%	1.07%	-13.33%	0.60%
2019/01/01-2019/12/31	56.89%	1.44%	29.73%	1.00%	27.16%	0.44%
2020/01/01-2020/12/31	72.47%	2.02%	22.50%	1.14%	49.97%	0.88%
2021/01/01-2021/12/31	26.17%	1.99%	-3.31%	0.94%	29.48%	1.05%
2022/01/01-2022/12/31	-34.89%	1.73%	-16.58%	1.03%	-18.31%	0.70%
2023/01/01-2023/12/31	-18.78%	0.88%	-8.34%	0.68%	-10.44%	0.20%

JPMorgan China Sector Rotation Fund Class H:

Phase	Growth rate of NAV <sup>①</sup>	Standard deviation of growth rate of NAV <sup>②</sup>	Benchmark yield performance <sup>③</sup>	Standard deviation of benchmark yield performance <sup>④</sup>	①－③	②－④
2016/01/26-2016/12/31	-4.64%	1.67%	5.22%	0.93%	-9.86%	0.74%
2017/01/01-2017/12/31	31.03%	1.28%	17.55%	0.51%	13.48%	0.77%
2018/01/01-2018/12/31	-32.44%	1.67%	-19.12%	1.07%	-13.32%	0.60%
2019/01/01-2019/12/31	56.89%	1.44%	29.73%	1.00%	27.16%	0.44%
2020/01/01-2020/12/31	72.47%	2.02%	22.50%	1.14%	49.97%	0.88%
2021/01/01-2021/12/31	26.17%	1.99%	-3.31%	0.94%	29.48%	1.05%
2022/01/01-2022/12/31	-34.89%	1.73%	-16.58%	1.03%	-18.31%	0.70%
2023/01/01-2023/12/31	-18.75%	0.88%	-8.34%	0.68%	-10.41%	0.20%

JPMorgan China Sector Rotation Fund Class C:

Phase	Growth rate of NAV <sup>①</sup>	Standard deviation of growth rate of NAV <sup>②</sup>	Benchmark yield performance <sup>③</sup>	Standard deviation of benchmark yield performance <sup>④</sup>	①－③	②－④
2021/12/27-2021/12/31	2.60%	1.01%	0.34%	0.74%	2.26%	0.27%
2022/01/01-2022/12/31	-30.78%	1.81%	-16.58%	1.03%	-14.20%	0.78%
2023/01/01-2023/12/31	-19.18%	0.88%	-8.34%	0.68%	-10.84%	0.20%

## **X. Assets of the Fund**

### **(I) Total Asset Value of the Fund**

Total Asset Value of the Fund includes the total value of all marketable securities, the principal and interest of the bank deposits, subscription amount receivable of the Fund and other assets possessed by the Fund.

### **(II) Net Asset Value (NAV) of the Fund**

The NAV of the Fund is calculated by deducting the liabilities from the Total Asset Value of the Fund.

### **(III) Account of the assets of the Fund**

In respect of the assets of the Fund, a bank deposit account shall be opened under the name of the Fund. A settlement reserve account for the settlement funds of securities trading shall be opened under the name of the Fund Custodian. A securities account shall be opened under the joint name of the Fund Custodian and the Fund. An interbank bond custody account shall be opened under the name of the Fund. The accounts opened specifically for the Fund shall be separated from the respective proprietary accounts of the Fund Manager, the Fund Custodian, the Fund distributor and the Registrar, as well as accounts of other funds asset accounts.

### **(IV) Disposal of assets of the Fund**

The assets of the Fund are segregated from the assets owned by the Fund Manager, the Fund Custodian and the Sales Agencies, and are under custody of the Fund Custodian. All the assets and revenue received from the Fund's management, operation or otherwise by the Fund Manager and the Fund Custodian shall belong to the assets of the Fund. The Fund Manager and the Fund Custodian may charge the management fee, custody fee and other fees as provided by the Fund Contract. The claims of the assets of the Fund shall not offset the debts of the Fund Manager and the Fund Custodian's own assets, and the claims and debts of different assets of the Fund shall not offset with each other. The Fund Manager and the Fund Custodian bear their own legal liability with their own assets; their creditors may not request freezing or detaining the assets of the Fund or exercise other rights against the assets of the Fund.

In the event that the Fund Manager or the Fund Custodian is under liquidation because of lawful dissolution, being legally revoked or declared bankruptcy, the assets of the Fund do not belong to the liquidation assets.

The assets of the Fund shall not be disposed of, unless otherwise provided in the Funds Law, the Fund Contract or other relevant regulations. Debts not borne by the assets of the Fund itself shall not be enforced against the assets of the Fund.

## **XI. Valuation of Fund Assets**

### **(I) Valuation Day**

The Valuation Day of the Fund refers to a normal business day of any securities exchange related to the Fund and a non-business day on which the NAV of the Fund is required to be disclosed in accordance with the Laws and Regulations of the State and the practices in the industry.

### **(II) Valuation Methods**

#### **1. Valuation of marketable securities which are listed on the exchanges**

- (1) The marketable securities (including equities and warrants) which are listed on exchanges shall be valued at the market prices (closing prices) quoted on stock exchanges on the valuation day. In case there is no trading on the valuation day and no material changes on the economic environment upon the latest trading day, such securities shall be valued at the market prices (closing prices) on the latest trading day. If there are material changes on the economic environment upon the latest trading day, the latest trading market prices may be adjusted and the fair prices may be determined with reference to the prevailing market prices and material changes of similar types of investment;
- (2) The fixed-income products which are listed or quoted for transfer on the exchanges shall be valued at the net value of products of corresponding types provided by third-party valuation agencies on the Valuation Day. The specific valuation agency shall otherwise be agreed by the Fund Manager and the Fund Custodian after negotiation;
- (3) The fixed-income products which are listed but have not traded at net prices shall be valued at the net prices calculated by deducting the interest receivable on the fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, the valuation shall be made at the net prices calculated by deducting the interest receivable on fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the latest trading day. If there are material changes on the economic environment upon the latest trading day, the latest trading market prices may be adjusted and the fair prices may be determined with reference to the prevailing market prices and material changes of similar types of investment;

- (4) The marketable securities that are listed on the exchanges and have no active market shall be valued at a fair value determined by the valuation techniques. The asset-backed securities that are listed on the exchanges shall be valued at a fair value determined by the valuation techniques. In the event that it is difficult to calculate the fair value by valuation techniques in a reliable manner, such securities shall be valued at cost;
- (5) The valuation calculation of the Fund's Chinese depositary receipt investment shall be carried out in accordance with that of the domestic listed stocks.

2. Marketable securities before listing shall be treated separately as follows:

- (1) New stocks that are issued through bonus issue, transfer of reserve to capitalisation issue, right issue and secondary public offering of new shares shall be valued at the market price (closing price) of the same stock quoted on the stock exchanges on the valuation day, or shall be valued at the market price (closing price) on the latest trading day in case there is no trading on the valuation day;
  - (2) In case of unlisted stocks, bonds and warrants that are initially issued, valuation techniques shall be adopted to determine the fair value. In the event that it is difficult to calculate the fair value by valuation techniques in a reliable manner, they shall be valued at cost;
  - (3) The stocks that are initially offered with a definite locked-in period and those that are not publicly offered with a definite locked-in period are valued at a fair value determined in accordance with the relevant provisions of the regulatory authorities or industry associations.
3. The fixed income securities, such as bonds and asset-backed securities that are traded on the national interbank bond market, shall be valued at a fair value determined by the valuation techniques.
  4. Where the same bonds are traded on two or more markets at the same time, they shall be valued respectively at the market where they are traded.
  5. If there is sufficient evidence proving that the above-mentioned valuation methods are unable to objectively reflect the fair value, the Fund Manager may, pursuant to the specific circumstances and upon consultations with the Fund Custodian, conduct a valuation at a price which could better reflect the fair value.



6. Where mandatory provisions are stipulated in the Laws and Regulations and by the regulatory authorities, such provisions shall be observed. If there are any new clauses, the valuation shall be made pursuant to the latest provisions of the State.

If the Fund Manager or the Fund Custodian discovers that the valuation of the Fund is in breach of the valuation methods and procedures as set out in the Fund Contract and the provisions in relevant Laws and Regulations or fails to provide sufficient protection to the interests of the Unitholders, the other party shall be informed immediately and both parties shall jointly investigate the reasons and shall negotiate for settlement.

In accordance with the relevant Laws and Regulations, the Fund Manager shall be responsible for the calculation of the NAV of the Fund and the accounting and auditing of the Fund. The Fund Manager shall be responsible for the Fund's accounting. Therefore, with regard to the accounting issues related to the Fund, if the parties involved fail to reach a consensus after full discussions on the principle of equality, the calculation result of the NAV of the Fund made by the Fund Manager shall be published.

### (III) Valuation Objects

Assets such as stocks, Chinese depositary receipts, warrants, bonds, principal and interest of bank deposits, receivables and other investments possessed by the Fund.

### (IV) Valuation Procedures

1. The NAV per Fund Unit of each class shall be calculated by dividing the respective class of NAV of the Fund Units after the closing on each Business Day by the balance of the respective fund units on the same day. The NAV per Fund Unit of each class shall be calculated with precision up to 0.0001 Yuan and be rounded to the fourth decimal place. Whereas there are provisions otherwise provided by the State, such provisions shall be observed.

The NAV of the Fund and the NAV per Fund Unit shall be calculated on each Business Day and shall be published as stipulated.

2. The Fund Manager shall conduct valuation of the fund assets on each Business Day. The Fund Manager shall, after the valuation of fund assets on each Valuation Day, send the result of the NAV per Fund Unit to the Fund Custodian, and the result shall be published by the Fund Manager after the result is verified as containing no errors by the Fund Custodian. The review on the month-end, half-year-end and year-end valuations shall be conducted simultaneously with the checking of fund accounting records.

## (V) Handling of Valuation Errors

The Fund Manager and the Fund Custodian shall take necessary, appropriate and reasonable measures to ensure the accuracy and timeliness of the Valuation of Fund Assets. Where there is an error within the fourth decimal place (inclusive) of the NAV per Fund Unit of any class, such error shall be deemed as an error of the NAV per Fund Unit.

The Parties to the Fund Contract shall comply with the following agreed provisions:

### 1. Types of Errors

In the course of operation of the Fund, if the Fund Manager, Fund Custodian, Registrars, Sales Agencies or Investor make an error due to their own fault and cause any loss to other parties, the responsible party for the error shall be liable for and indemnify the party involved (“Impaired Party”) for the direct losses incurred by such error based on the following “Error Handling Principles”.

The main types of the aforesaid errors include but are not limited to errors in declaration of information, errors in data transmission, errors in data calculation, errors from system failure and errors in placing instructions; errors arisen from technical reasons that cannot be foreseen, avoided or defied at the existing technical level of the industry shall be considered as Force Majeure and shall be treated pursuant to the following provisions.

Where any event of Force Majeure results in the loss or false treatment of the Investor’s trading information or other errors, the party who makes errors due to Force Majeure shall not be liable to indemnify other parties, provided that the party who obtains improper gains due to such errors shall remain be liable to return the improper gains.

### 2. Error Handling Principles

(1) When there is an error which has not caused any loss to the parties yet, the responsible party for the error shall timely coordinate other parties to make corrections in time, and the fees incurred in the process of correction shall be borne by the responsible party for the error. If any party suffers a loss due to the responsible party for the error fails to correct the errors incurred in time, the liability for the direct losses shall be borne by the responsible party for the error. If the responsible party for the error has made active coordination and the party with the obligation for assistance has enough time to make a correction but fails to do so, this party shall be liable for the corresponding compensation. The responsible party for the error shall confirm the corrections with the parties involved and shall ensure the errors have been corrected;

- (2) The responsible party for the error shall be liable for the direct losses rather than indirect losses of the parties involved, and shall be liable to the direct parties involved of the errors rather than the third parties.
- (3) The party who obtains improper gains due to errors shall be obliged to return the improper gains. However, the responsible party for the error shall remain be liable for the errors. If the party which obtains the improper gains does not return the improper gains in whole or in part and therefore incurring any loss of interests to other parties (“Impaired Party”), the responsible party for the error shall compensate the loss of the Impaired Party and shall be entitled to request the party who has obtained the improper gains to return the improper gains to the extent of the compensation amount paid by the responsible party for the error. If the party who obtains the unjust gains has returned this portion of improper gains to the Impaired Party, the Impaired Party shall return to the responsible party for the error the exceeding amount which results from deducting its actual losses from the sum of the compensation amount received and the improper gains;
- (4) The errors shall be adjusted to the correct situation as if the errors had not occurred;
- (5) Where the responsible party for the error refuses to make compensation, the Fund Custodian shall claim the Fund Manager for the interests of the Fund if the loss of assets of the Fund is attributable to the Fund Manager’s fault, or the Fund Manager shall claim the Fund Custodian for the interests of the Fund if the loss of assets of the Fund is attributable to the Fund Custodian’s fault. Where a third party other than the Fund Manager and the Fund Custodian causes the loss of assets of the Fund and refuses to make compensation, the Fund Manager shall be liable to claim the responsible party for the error. The expenses incurred during the compensation recovery process shall be included in the expenses of the Fund and paid out of the Fund’s assets.
- (6) Where the party making errors does not compensate the Impaired Party in accordance with relevant provisions and, pursuant to Laws and Regulations, the Fund Contract or other provisions, the Fund Manager shall indemnify the Impaired Party on its own or in accordance with the judgment and arbitral award from the court, the Fund Manager is entitled to claim the responsible parties who have made mistakes and is entitled to require such party to indemnify or compensate the Fund Manager for the fees and the direct losses incurred thereby.
- (7) The errors shall be handled based on other principles as provided by Laws and Regulations.

### 3. Error Handling Procedures

After the errors are identified, the concerned parties shall handle such errors in a timely manner according to the following procedures:

- (1) Identify the reasons for the errors, list all the parties and determine which party is responsible for the error according to such reasons;
- (2) Evaluate the losses incurred by the errors according to Error Handling Principles or in the manner as agreed by the concerned parties;
- (3) The responsible party for the error shall make corrections and compensate for losses according to Error Handling Principles or in the manner as agreed by the concerned parties;
- (4) Where the trading data of the Fund at the Registrars is required to be modified according to the methods for error handling, the Registrars shall make corrections and confirm the same with the concerned parties.

### 4. The Principles and Methods of Handling Errors of the NAV per Fund Unit are as follows:

- (1) When there are errors in the calculation of the NAV per Fund Unit, the Fund Manager shall make correction immediately, notify the Fund Custodian and take reasonable measures to prevent further losses.
- (2) If the error deviation reaches 0.25% of the NAV per Fund Unit of respective class, the Fund Manager shall notify the Fund Custodian and report to the CSRC for record. If the error deviation reaches 0.5% of the NAV per Fund Unit of respective class, the Fund Manager shall make an announcement.
- (3) Where any loss of the Fund or the Unitholder is caused by any calculation error of the NAV per Fund Unit, the Fund Manager shall make compensation first and have the right to claim other concerned parties according to the error situation.
- (4) Where any rounding difference in the net value is incurred by different settings of the respective technical systems of the Fund Manager and the Fund Custodian, the calculation results of the Fund Manager shall prevail.
- (5) If the above context is otherwise provided by Laws and Regulations or the regulators, such provisions shall be observed.

#### (VI) Circumstances of Suspension of Valuation

1. The stock exchange market relating to the Fund's investment is closed of business because of festive holidays or other reasons;
2. The Fund Manager or the Fund Custodian cannot accurately evaluate the value the fund assets due to Force Majeure or other circumstances;
3. There is a significant change in the valuation of a type of investment that accounts for a substantial proportion of the Fund, and the Fund Manager has decided to defer the valuation in order to protect the interests of Investors. The occurrences of some conditions which the Fund Manager believes are emergency matters that may cause the Fund Manager to be unable to sell or evaluate the fund assets;
4. The Fund Manager, after consulting with the Fund Custodian, shall suspend NAV valuation if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day.
5. Other circumstances stipulated by Laws and Regulations, the CSRC and the Fund Contract.

#### (VII) Confirmation of Net Value of the Fund

The NAV of the Fund and the NAV per Fund Unit are calculated by the Fund Manager and reviewed by the Fund Custodian. The Fund Manager shall calculate the NAV of the Fund after the close of trading on every Dealing Day or on a non-Business Day on which the NAV of the Fund shall be publicly disclosed as required by national laws and/or regulations, and send the relevant information to the Fund Custodian. The Fund Custodian shall send the calculation result of the net asset which has been reviewed and confirmed to the Fund Manager, and the Fund Manager shall publish the net value of the Fund.

#### (VIII) Fund Asset Valuation during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, valuation of the assets of the main pocket account and disclosure of the NAV per Fund Unit and the cumulative NAV per Fund Unit of the main pocket account should be in accordance with the provisions of this Section, and the disclosure of the NAV per Fund Unit of the side pocket account should be suspended.

## (IX) Treatment of Extraordinary Circumstances

1. Where the Fund Manager or the Fund Custodian conducts the valuation in accordance with Item (5) under Valuation Methods, the valuation errors shall not be regarded as valuation errors in respect of the Fund assets.
2. Due to events of Force Majeure or the errors in the data transmitted by the stock exchanges and the registration and clearing companies or changes in the accounting policies of the State or changes in regulations in the market, although the Fund Manager and the Fund Custodian have taken necessary, appropriate and reasonable measures to check, no error has been found and the Fund Manager and the Fund Custodian shall be exempted from the liability for the compensation on the valuation errors of fund assets thereto. However, the Fund Manager should actively take the necessary measures to eliminate or lessen the impact of such errors.

## **XII. Fund Income and Distribution**

### (I) Composition of the Fund Income

The Fund Income refers to profit of the Fund, including balance of bonus, dividend, bond interest, securities investment income, fair value variation during the holding of securities, bank deposit interest, and other incomes after relevant fees are deducted.

### (II) Fund Profit Available for Distribution at the End of the Term

The fund profit available for distribution at the end of the term refers to the undistributed profit of the Fund or and the realised income in the undistributed profit (whichever is lower) on the benchmark date of income distribution.

### (III) Principles of Income Distribution

The following principles shall be followed in distribution of Fund Income:

1. As sales service fees are only charged for Class C Fund Units and not Class A and Class H Fund Units, profits available for distribution differ between each fund-unit class. Each fund unit of same class in the Fund shall have the same rights for income distribution.
2. The Fund Income can be distributed no more than four times a year and the percentage of Fund Income distribution at a time shall not be lower than 40% of the distributable income. Income distribution is not a must within the first three months during the valid term of the Fund Contract;

3. There are two distribution methods for Fund Income: cash dividends and dividend reinvestment, and the Investors may choose to receive cash dividends or automatically convert the cash dividends into the fund units for reinvestment at the Fund Unit NAV on the ex-dividend date; if the Investors do not make a choice, the Fund will distribute cash dividends by default.
4. The value attained by subtracting the amount of income distribution of the fund unit from the NAV of each category of fund unit on the benchmark date shall not be less than its par value.
5. The bonus distribution of the Fund shall not exceed 15 Business Days from the benchmark date of income distribution (namely the deadline for calculating the distributable profit).
6. Relevant laws and regulations or rules of the regulatory authorities which provide otherwise shall prevail.
7. The bank transfer fees or other service charges incurred in the case of income distribution shall be borne by the Investors. Whereas the cash dividends received by an Investor is lower than a certain amount and is insufficient to pay for the bank transfer fee or other service fees, the Fund Registrar may automatically convert the cash dividends of the Investor into corresponding class fund units at the Fund Unit NAV on the ex-dividend day.

If otherwise stated in relevant laws or regulations or by the regulatory authorities, the Fund Manager shall, after completing the corresponding procedures, adjust the above Fund Income distribution policy.

#### (IV) Distribution Plan of Fund Income

The distribution plan of Fund Income shall state clearly the details on the distributable profit at term end of the Fund, distribution targets of Fund Income, distribution principles, distribution time, distribution amount and proportion, distribution methods, and payment methods.

#### (V) Time and Procedures of Income Distribution

1. The distribution plan of Fund Income shall be drafted by the Fund Manager and verified and confirmed by the Fund Custodian, and be published on the Designated Media in accordance with the related provisions of the *Measures on Information Disclosure*;
2. After the distribution plan of Fund Income is released, the Fund Manager shall, pursuant to the provisions of the plan, send a payment order of cash dividends to the Fund Custodian, and the Fund Custodian shall pay for the dividends in a timely manner pursuant to the order of the Fund Manager.

#### (VI) Income Distribution during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the side pocket account does not make income distribution. Please refer to the provisions of the “Side Pocket Mechanism” chapter of this Prospectus for details.

### **XIII. Expenses and Taxes of the Fund**

#### **(I) Types of expenses of the Fund**

1. Management fees payable to the Fund Manager;
2. Custody fees payable to the Fund Custodian;
3. Bank charges for transfer and payment of the assets of the Fund;
4. Information disclosure expenses payable upon the Fund Contract takes effect, unless otherwise stipulated in the laws or regulations or by the CSRC;
5. Expenses of the Unitholders' meetings;
6. Accountant fees and legal fees related to the Fund upon the Fund Contract takes effect;
7. Expenses arising from trading of securities;
8. Class C Fund Unit sales service fees: Subject to the requirement and permission from the CSRC, the sales service fees of other classes of the Fund may be accrued out of the assets of the Fund. The specific accrual method and accrual standard shall be specified in the Prospectus or the relevant announcement;
9. Other fees payable out of the assets of the Fund pursuant to the relevant laws.

(II) The aforesaid expenses of the Fund shall be determined by the Fund Manager at the fair market price to the extent as stipulated by the Laws and Regulations. If the provisions are otherwise stipulated by the Laws and Regulations and the Fund Contract, such provisions shall be observed.



(III) Accrual methods, accrual standards, and payment methods of the expenses of the Fund

1. Management fees payable to the Fund Manager

In general, the management fee shall be accrued at the rate of 1.2% per annum of the NAV of the Fund on the preceding day. The calculation method is as follows:

$$H = E \times 1.2\% \div \text{number of days in the current year}$$

H is the management fee accrued every day

E is the NAV of the Fund on the preceding day

The management fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's management fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Manager from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

2. Custody fees payable to the Fund Custodian

In general, the custody fee shall be accrued at the rate of 0.2% per annum of the NAV of the Fund on the preceding day. The calculation method is as follows:

$$H = E \times 0.2\% \div \text{number of days in the current year}$$

H is the custody fee accrued every day

E is the NAV of the Fund on the preceding day

The custody fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's custody fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Custodian from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

### 3. Sales Service Fees

No sales service fees are charged for Class A and Class H Fund Units. A sales service fee with an annual rate of 0.50% is charged for Class C Fund Units.

In general, sales service fees shall be accrued at a rate of 0.50% per annum of the NAV of the Fund on the preceding day.

The calculation method is as follows:

$$H = E \times 0.50\% \div \text{number of days in the current year}$$

H refers to the sales service fees accrued daily for Class C Fund Units

E refers to the NAV of Class C Fund Units on the preceding day

Fund sales service fees are accrued daily and payable monthly.

The Fund Manager will send the sales service fee payment order to the Fund Custodian, and the Fund Custodian will check and make a payment in accordance with the designated account path, within 3 Business Days from the first day of the next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

Sales service fees are mainly used to pay commissions for sales institutions, in addition to Fund Manager fees, including those for marketing, advertising, promotional events and unit-holder services.

4. Apart from the management fee, the custody fee and sales service fees, the expenses of the Fund shall be paid by the Fund Custodian pursuant to other related regulations and the provisions in the corresponding agreements, and such fees shall be paid as out-of-pocket expenses and shall be included or apportioned in the current expenses of the Fund.

#### (IV) Items not included in the expenses of the Fund

The expenses or the losses of the fund assets incurred due to the Fund Manager or the Fund Custodian fails to perform or fails to fully perform their obligations, and the expenses incurred when dealing with the matters not related to the Fund's operations, shall not be included in the expenses of by the Fund. Information disclosure expenses, legal fees, accounting fees and other expenses incurred before the Fund Contract takes effect shall not be paid out of the assets of the Fund.

(V) The Fund Manager and the Fund Custodian may adjust the fund management fee rate, the fund custody fee rate, and sales service fee rate according to the development situations of the Fund. The Fund Manager shall make an announcement on the Designated Media prior to the implementation date of new fee rate.

(VI) Fund Expenses during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the fees related to the side pocket account can be paid out of the side pocket account, but only after the realisation of the assets of the side pocket account. The relevant fees can be charged or reduced as appropriate, but management fees shall not be charged. Please refer to the provisions of the “Side Pocket Mechanism” chapter of this Prospectus or related announcements for details.

(VII) Taxes of the Fund

The Fund and the Unitholders shall perform the tax obligation pursuant to the Laws and Regulations stipulated by the State.

#### **XIV. Accounting and Auditing of the Fund**

(I) Accounting Policies of the Fund

1. The Fund Manager shall be responsible for the accounting issues of the Fund;
2. The fiscal year of the Fund commences from January 1 and ends on December 31 of each calendar year;
3. The Fund adopts RMB as the base currency of bookkeeping and Yuan as the bookkeeping unit in its accounting;
4. The accounting system of the Fund shall comply with the relevant accounting rules of the People’s Republic of China;
5. The Fund shall keep its own accounting and auditing independently;
6. The Fund Manager shall keep complete accounting records and evidence, and carry out day-to-day accounting and prepare the financial statements of the Fund pursuant to the relevant provisions;
7. The Fund Custodian shall check the Fund’s accounting and statement preparation with the Fund Manager regularly and provide written confirmation accordingly.

## (II) Auditing of the Fund

1. The Fund Manager shall engage an accounting firm and its Certified Public Accountants qualified for auditing securities and futures-related business to audit the annual financial statements and other matters of the Fund. The accounting firm and its Certified Public Accountants shall be independent of the Fund Manager and the Fund Custodian.
2. The accounting firm shall seek the prior approval of the Fund Manager when replacing the Certified Public Accountants for the Fund.
3. If the Fund Manager (or the Fund Custodian) deems there are sufficient reasons to replace the accounting firm, replacement may be made upon the consent of the Fund Custodian (or the Fund Manager) before the replacement. For the replacement of the accounting firm, the Fund Manager shall make an announcement in the Designated Media pursuant to the relevant provisions of the *Measures on Information Disclosure*.

## **XV. Information Disclosure of the Fund**

Information disclosure of the Fund shall be in accordance with the *Funds Law*, *Measures on Operation*, *Measures on Information Disclosure*, the Fund Contract and other relevant regulations. In the event of changes in information disclosure requirements stipulated in relevant laws and regulations, the latest regulations shall apply to the Fund. Focusing on the protection of Unitholders' interests as their starting point, the Fund Manager, Fund Custodian and other information disclosure obligors of the Fund shall disclose information about the Fund in accordance with the laws, and guarantee the authenticity, accuracy, completeness, timeliness, conciseness and accessibility of the information disclosed.

The information disclosure obligors include the Fund Manager, Fund Custodian and the Unitholders who convene the Unitholder's meeting and other natural persons, legal-person organisations and non-legal-person organisations set forth by the laws and regulations and the relevant provisions of the CSRC. The Fund Manager, the Fund Custodian and other information disclosure obligors of the Fund shall disclose the fund information disclosure items on the national press designated by the CSRC (hereinafter referred to as the "Designated Press"), the designated websites (hereinafter referred to as the "Designated Websites", including the websites of the Fund Manager and Fund Custodian and the CSRC electronic fund information disclosure website) and other designated media outlets in accordance with the rules within the specified time provision.

The information disclosure obligors of the Fund undertake to avoid the following behaviours in the fund information disclosed to the public:

1. To falsely record, or misleadingly state or materially omit the fund information;
2. To predict the performance of securities investment;
3. To illegally promise income or assume losses;
4. To slander other Fund Managers, Fund Custodians or institutions offering the fund units;
5. To contain any congratulatory, complimentary or recommendatory words of any natural person, legal-person organisations or non-legal-person organisations;
6. Other conducts forbidden by the CSRC.

The information of the Fund to be disclosed to the public shall be written in Chinese. If there is a foreign-language version at the same time, the information disclosure obligors of the Fund shall guarantee the consistency of the contents of the different versions. In case of any discrepancy between the different versions, the Chinese version shall prevail.

The Arabic numerals shall be used in the fund information disclosed to the public. Unless otherwise specified, the unit of currency shall be in RMB.

The information on the Fund required to be disclosed includes:

#### (I) Prospectus and Fund Product Key Facts Statement

The Prospectus is a legal document which gives details of the Fund under public offering.

The Fund Product Key Facts Statement is a summary of the Fund Prospectus, which provides investors with a brief outline of the Fund. The Fund Manager shall compile, disclose and update the Fund Product Key Facts Statement in accordance with the laws, regulations and rules set by the CSRC.

In the event of a significant change in information contained in the Fund Prospectus or Fund Product Key Facts Statement after the Fund Contract comes into effect, the Fund Manager shall update the Prospectus and Fund Product Key Facts Statement accordingly and publish them on the Designated Websites within three Business Days, and the Fund Product Key Facts Statement shall also be published on the websites or at the sales outlets of the Fund Sales Institutions; in the event of other changes in information contained in the Fund Prospectus or Fund Product Key Facts Statement, the Fund Manager shall update the Prospectus and the summary at least once every year.

Upon termination of operation of the Fund, the Fund Manager may stop updating the Fund Prospectus and Fund Product Key Facts Statement.

## (II) Fund Contract and Custody Agreement

The Fund Manager shall publish the summary of the Fund Contract in the Designated Press and Websites three days prior to the Fund Unit offering. The Fund Manager and the Fund Custodian shall publish the Fund Contract and the Custody Agreement on their respective websites.

## (III) Fund Units Offering Announcement

The Fund Manager shall prepare a Fund Units Offering Announcement for the details of the Fund Unit offering and publish it in the Designated Press and Websites on the same day of disclosing the Prospectus in accordance with applicable provisions of the *Funds law* and the *Measures on Information Disclosure*.

## (IV) Announcement on the Enforcement of the Fund Contract

The Fund Manager shall publish an announcement on the enforcement of the Fund Contract in the Designated Press and Websites on the following day after the Fund Contract comes into effect. The announcement on the enforcement of the Fund Contract will set out the conditions of Fund Offering.

## (V) Announcement of the NAV of the Fund

After the commencement of the Fund Contract and prior to the commencement of the Subscription or Redemption of Fund Units, the Fund Manager shall announce the NAV per Unit and the cumulative NAV per Fund Unit for each class of fund units on the Designated Websites at least once every week.

After the processing of the Subscription or Redemption of Fund units commences, the Fund Manager shall disclose the NAV per Unit and the cumulative NAV per Unit for each class of fund units on each Dealing Day via the Designated Websites and websites or sales outlets of the Fund Sales Institutions no later than the following day of every Dealing Day.

The Fund Manager shall disclose the NAV per Fund Unit and the cumulative NAV per Fund Unit for each class of fund units as of the last day of every half year and full year on the Designated Websites no later than the day following the last day of every half year and full year.

## (VI) Announcements on the Subscription and Redemption Price per Unit

The Fund Manager shall set out the calculation method of the Subscription and Redemption price per Unit and relevant Subscription and Redemption fee rates on the information disclosure documents including the Fund Contract and the Prospectus of the Fund, and shall ensure that the Investors can inspect or duplicate the said information and data via the websites or business outlets of the Fund Sales Institutions.

(VII) Annual reports, interim reports and quarterly reports of the Fund (including quarterly reports on the asset portfolios)

1. The Fund Manager shall complete the annual report of the Fund within three months after the last day of each year, publish the annual report on the Designated Websites, and publish a reminder announcement regarding the annual report in the Designated Press. Financial accounting reports in the Fund's annual report shall be audited by an accounting firm qualified for operating securities and futures-related businesses.
2. The Fund Manager shall complete the interim report of the Fund within two months after the last day of the first half of each year, publish the interim report on the Designated Websites, and publish a reminder announcement regarding the interim report in the Designated Press.
3. The Fund Manager shall complete the quarterly report of the Fund within 15 Business Days after the last day of each quarter, publish it on the Designated Websites, and publish a reminder announcement regarding the quarterly report in the Designated Press.
4. If the Fund Contract has been in effect for less than two months, the Fund Manager may choose not to prepare the quarterly report, interim report or annual report for the period.

The Fund Manager shall disclose information about the Fund's asset portfolios and liquidity risk analysis of such portfolios in the Fund's annual and interim reports.

If fund units held by a single investor reach or exceed 20% of the total number of fund units, the Fund Manager, in order to protect the rights and interests of other investors, shall report at least the investor's category, holdings and holdings as a percentage of the total fund units at the end of the reporting period, changes in holdings during the reporting period, and particular risks associated with those products in the "Other Important Information Affecting Investors' Decisions" section of the Fund's regular report, unless otherwise stipulated by the CSRC.

(VIII) Temporary Reports and Announcements

In case of any event during the Fund's operation which may materially affect the rights and interests of the Unitholders or the prices of fund units, the relevant information disclosure obligors shall prepare a temporary report in accordance with the rules and publish it in the Designated Press and on the Designated Websites:

1. Convening of Unitholders' meetings and matters determined at such meetings;
2. Termination of the Fund Contract, and liquidation of the Fund;
3. Change in the Fund's operational mode, and merger of funds;
4. Replacement of the Fund Manager or the Fund Custodian;
5. The Fund Manager entrusts a fund service agency to process registration, accounting and valuation of Fund Units, or the Fund Custodian entrusts a fund service agency to process Fund accounting, valuation and verification;
6. Change in the legal name or domicile of the Fund Manager or the Fund Custodian;
7. Change in the Fund Manager's shareholders with a stake of over 5%, or change in its actual controller;
8. Extension of the Initial Offer Period of the Fund;
9. Change of a senior manager or portfolio manager of the Fund Manager, or of the head of the dedicated fund custody department of the Fund Custodian;
10. Replacement of more than 50% of the Fund Manager's directors within the most recent 12 months;
11. Replacement of more than 30% of the key business personnel of the Fund Manager or the dedicated fund custody department of the Fund Custodian within the most recent 12 months;
12. Litigation or arbitration involving the Fund's management, the Fund's assets or the Fund's custody operations;
13. Major administrative or criminal penalties imposed on the Fund Manager or its senior managers or portfolio managers due to activities related to Fund management operations, or major administrative or criminal penalties imposed on the Fund Custodian or head of its dedicated fund custody department due to activities related to Fund custody operations;
14. The Fund Manager uses the Fund's assets to buy or sell securities issued or underwritten during the underwriting period by the Fund Manager, the Fund Custodian or their controlling shareholder(s), actual controller(s) or companies with a substantial stake in them, or engages in other forms of major related-party transactions, unless otherwise stipulated by the CSRC;



15. Distributions of the Fund Income;
16. Any change in the accrual standard, accrual method and rate of the management fee, custody fee, sales service fee, Subscription fee, Redemption fee, etc. of the Fund;
17. Valuation errors in respect of the NAV per Fund Unit which are no less than 0.5% of the NAV per Fund Unit for the class of Fund units;
18. Replacement of the accounting firm engaged by the Fund;
19. Replacement of the Fund Registrar;
20. Commencement of Subscription and Redemption of the Fund;
21. The Fund encounters Substantial Redemptions and delays the processing of related transactions;
22. The Fund has continuously encountered Substantial Redemptions and suspended the acceptance of redemption applications or delayed the payment of Redemption amount;
23. The Fund suspends the acceptance of Subscription or Redemption applications, or resumes accepting Subscription or Redemption applications;
24. Adjustments are made to fund unit subscription and/or redemption related matters, or a material matter arises that may affect fund unit redemption by investors;
25. Adjustments of the setting of the class of fund unit;
26. Other matters that the Fund's information disclosure obligors believe may materially affect the rights and interests of the Fund's Unitholders or the prices of the Fund Units, or other matters prescribed in the Fund Contract or by the CSRC.

#### (IX) Clarification Announcements

Within the Duration of the Fund Contract, if any information published on any public media or circulated in the market may have a misleading effect on or lead to significant fluctuations in the Fund Unit price, and may hurt the Unitholders' rights or interests, the information disclosure obligors shall immediately clarify such information publicly and report such situation to the CSRC.

(X) Liquidation report

If an event warranting the termination of the Fund Contract occurs, the Fund Manager shall set up a fund asset liquidation team in accordance with the laws to liquidate the fund's assets and prepare a liquidation report. The fund asset liquidation team shall publish the liquidation report on the Designated Websites, and publish a reminder announcement on the liquidation report in the Designated Press.

(XI) Resolutions of the Unitholders' meeting

(XII) Information Disclosure during the Implementation of the Side Pocket Mechanism

If the Fund implements the side pocket mechanism, the relevant information disclosure obligors shall disclose information in accordance with laws and regulations, the Fund Contract, and the Prospectus. Please refer to the provisions of the "Side Pocket Mechanism" chapter of this Prospectus for details.

(XIII) Other Information Required by the CSRC

(XIV) Availability and Inspection of Information Disclosure Documents

After the release of information that must be disclosed according to the laws, the Fund Manager and Fund Custodian shall, in accordance with the relevant laws and regulations, display the information at their domiciles so that the public can inspect and copy.

The information disclosure of the Fund shall be conducted in strict accordance with the laws and regulations and the Fund Contract.

(XV) Information disclosure management

The Fund Manager and Fund Custodian shall establish a sound information disclosure management system, and designate a dedicated unit and senior manager to be responsible for the management of information disclosure affairs.

The Fund Manager, Fund Custodian and relevant practitioners shall not divulge information of the Fund that has not been publicly disclosed.

When disclosing the fund information to the public, the fund information disclosure obligors shall comply with the relevant CSRC rules on fund information disclosure contents and formats as well as other relevant rules.

The Fund Custodian shall review, pursuant to the relevant laws, regulations, CSRC rules, and the Fund Contract, relevant fund information for public disclosure prepared by the Fund Manager, including NAV of the Fund, NAV per Fund Unit, fund unit subscription and redemption prices, the Fund's regular reports, updated Prospectus, Fund Product Key Facts Statement, and the Fund's liquidation report, and confirm with the Fund Manager in writing or electronically.

The Fund Manager and the Fund Custodian shall choose one newspaper from the Designated Newspapers for information disclosure purposes.

The Fund Manager and Fund Custodian shall submit the Fund's information proposed for disclosure via the CSRC's electronic fund information disclosure website, and guarantee the authenticity, accuracy, completeness, and timeliness of the information submitted.

To strengthen investor protection and improve the quality of information disclosure services, starting from the day prescribed by the CSRC, the Fund Manager shall provide investors with information that materially affects their investment decisions in a timely manner pursuant to the CSRC's provisions.

Apart from disclosing information via the Designated Media in accordance with the laws, the Fund Manager and the Fund Custodian may disclose relevant information via other public media outlets as needed, but information cannot be disclosed on other public media outlets earlier than on the Designated Media, and information published on different media outlets shall be consistent.

In addition to disclosing information in accordance with the laws and regulations, the Fund Manager and Fund Custodian may work to improve the quality of information disclosure in a bid to provide useful information for investors to assist their decision-making, provided that investors are treated fairly, such information will not mislead investors, and the Fund's normal investment will not be affected. Specific requirements shall conform to the relevant regulations of the CSRC and self-disciplinary rules. Expenses (if any) incurred as a result of such self-initiated information disclosure shall not be disbursed from the Fund's assets.

Professional agencies issuing audit reports or legal opinions for fund information publicly disclosed by the Fund's information disclosure obligors shall compile working papers and retain related files for at least 10 years after the termination of the Fund Contract.

## **XVI. Side Pocket Mechanism**

### **(I) Implementation conditions, implementation procedures, and scope of specific assets of the side pocket mechanism**

When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, in accordance with the principle of protecting the interests of Unitholders to the greatest extent, the Fund Manager can activate the side pocket mechanism in accordance with laws and regulations and as agreed in the Fund Contract without convening a Unitholders' Meeting for deliberation after negotiation and agreement with the Fund Custodian and consultation with the Accounting Firm. The Fund Manager shall report to the China Securities Regulatory Commission and the dispatched office of the China Securities Regulatory Commission where the company is located on the day when the side pocket mechanism is activated.

Specific assets include: (1) Assets that have no reference active market prices and the use of valuation techniques still leads to significant uncertainty in their fair value; (2) Assets that are measured at amortized cost and the provision for asset impairment still leads to major uncertainties in the value of assets; and (3) Other assets with major uncertainties in the value of assets.

### **(II) Fund operation arrangements during the implementation of the side pocket mechanism**

#### **1. Fund Unit Subscription and Redemption**

##### **(1) Side pocket account**

During the implementation of the side pocket mechanism, the Fund Manager will not process any subscription, redemption, or conversion applications of the side pocket account. Any subscription, redemption, or conversion applications of the Fund Units of the side pocket account by any Unitholder will be rejected.

##### **(2) Main pocket account**

The Fund Manager will ensure that the Unitholders of the main pocket account have the redemption rights as stipulated in the Fund Contract in accordance with the law, and reasonably determine the matters in relation to subscription based on the operation of the main pocket account. The specific matters will be stipulated in the relevant announcements by the Fund Manager on the occasion.

- (3) The Fund Manager, after consulting with the Fund Custodian, shall suspend the fund valuation and suspend the acceptance of any subscription or redemption applications or defer payment of any redemption of the Fund if the specific assets account for more than 50% of the Fund's NAV on the previous valuation day.

For any redemption applications received on the activation day of the side pocket mechanism, the Fund Manager only processes the redemption applications for the main pocket account and pays the redemption amount. Any subscription applications received on the activation day of the side pocket mechanism are deemed as subscription applications submitted by the Investors to the main pocket account after the activation of the side pocket mechanism.

## 2. Registration of Fund Units

During the implementation of the side pocket mechanism, the Fund Manager shall implement independent management of the units of the side pocket account. The main pocket account shall continue to use the original fund code, and the side pocket account shall use an independent fund code. The name of the side pocket account units shall be set in the format of "Fund abbreviation + side pocket identification S + side pocket account establishment date," and a capital letter M will be added to the name of the main pocket account units as a suffix. The M mark in the name of the main pocket account units will be removed once all side pocket accounts of the Fund are cancelled.

On the activation day of the side pocket mechanism, the Fund Manager and the fund registration agency shall confirm the register of Unitholders of the corresponding side pocket account and their units based on the units of original accounts of the Fund Unitholders.

The Fund Manager will de-register the side pocket account once the side pocket account assets are fully liquidated.

## 3. Fund Investment and Performance

During the implementation of the side pocket mechanism, the investment operation indicators and the fund performance indicators of the Fund shall be based on the assets of the main pocket account. The Fund Manager shall not conduct any investment operations other than the disposal of the specific assets in the side pocket account.

When presenting the fund performance, the Fund Manager and relevant service agencies shall fully explain the foregoing circumstances to avoid misunderstanding by Investors.

The Fund Manager shall, in principle, complete adjustments to the portfolio of the main pocket account within 20 trading days after the activation of the side pocket mechanism, except for circumstances specified by the China Securities Regulatory Commission due to asset liquidity restrictions.

#### 4. Valuation of Fund Assets

On the activation day of the side pocket mechanism, the Fund Manager will divide the assets of the main pocket account and the side pocket account based on the net assets of the Fund once the end-of-day valuation is completed, and the balance of the asset accounts and the balance of liability accounts other than taxes payable account explicitly related to the specific assets are included in the side pocket account. The Fund Manager shall treat the specific assets as a whole, and shall not just separate the parts whose fair value cannot be determined.

During the implementation of the side pocket mechanism, the Fund Manager will set up a separate set of books for the side pocket account and keep independent accounts. If the Fund has multiple side pocket accounts at the same time, the side pocket accounts shall keep their independent accounts. The accounting of the side pocket account shall comply with the relevant requirements of the Accounting Standards for Business Enterprises.

#### 5. Fund Expenses

During the implementation of the side pocket mechanism, no management fee will be charged for the side pocket account assets. Any consulting and auditing expenses incurred due to the activation of the side pocket mechanism shall be borne by the Fund Manager.

The Fund Manager may deduct the expenses related to the disposal of the side pocket account assets from the side pocket account after the realisation of the side pocket account assets.

#### 6. Fund Income and Distribution

During the implementation of the side pocket mechanism, the Fund Manager can distribute the income of the units of the main pocket account if the units of the main pocket account meet the income distribution conditions stipulated in the Fund Contract. There will be no income distribution of the side pocket account.

#### 7. Fund Information Disclosure

##### (1) Information of the NAV of the Fund

During the implementation of the side pocket mechanism, the Fund Manager shall suspend the disclosure of the NAV per Fund Unit and the cumulative NAV per Fund Unit of the side pocket account.

## (2) Regular reports

During the implementation of the side pocket mechanism, the financial statements in the Fund's regular reports are prepared based only on the main pocket account. Information about the side pocket account is separately disclosed in the regular reports, including but not limited to:

- 1) Basic information such as the fund code, fund name, and date of establishment of the side pocket account;
- 2) The initial assets and initial liabilities of the side pocket account;
- 3) Basic information such as the name, code, and issuer of the specific assets;
- 4) The progress of the disposal of the specific assets, the expenses related to the disposal of the specific assets, and other information related to the status of the specific assets during the reporting period;
- 5) Depending on the progress of the disposal of the specific assets, the net realisable value or the reference range of the net value of the specific assets may be disclosed. Such net value or net value range does not represent the final realisable price of the specific assets, and does not represent any commitment of the Fund Manager to the final realisable price of the specific assets;
- 6) Warnings of other situations and related risks that may have a significant impact on the interests of Investors.

## (3) Ad hoc reports

The Fund Manager shall make ad hoc announcements in a timely manner in case of activation of the side pocket mechanism, disposal of specific assets, termination of the side pocket mechanism, or other matters that may have a material impact on the interests of Investors.

The content of the ad hoc announcement on the activation of the side pocket mechanism shall include important information such as the reasons and procedures for the activation, the liquidity and valuation of the specific assets, the impact on investors' subscription and redemption, and risk warnings.

The content of the ad hoc announcement on the disposal of specific assets shall include important information such as the price and time of disposal of the specific assets, the payment to the unitholders of the side pocket account shares, and the related expenses incurred. During the implementation of the side pocket mechanism, if the side pocket account assets cannot be disposed of and realised in one time, the Fund Manager shall issue an ad hoc announcement in a timely manner after each disposal and realisation.

## 8. Disposal and Liquidation of Specific Assets

The Fund Manager will develop a liquidation plan in accordance with the principle of maximizing the interests of Unitholders to realise the disposal of the side pocket account assets. Regardless of whether the assets of the side pocket account have been fully realised, the Fund Manager shall promptly pay the corresponding amount of the realised part to the Unitholders of the side pocket account.

## 9. Audit of the Side Pocket Account

The Fund Manager shall promptly engage an accounting firm that meets the requirements of the Securities Law to conduct audits and disclose special audit opinions upon the activation and the termination of the side pocket mechanism, as follows:

The Fund Manager shall obtain professional opinions from an accounting firm that meets the requirements of the Securities Law on matters related to the identification of specific assets upon the activation of the side pocket mechanism.

The Fund Manager shall, within five Business Days after the activation of the side pocket mechanism, engage an accounting firm that provides opinions on the activation day of the side pocket mechanism to issue a special audit opinion on the specific assets held by the Fund on the activation day of the side pocket mechanism. The content shall include the initial assets, units, net assets, and other information on the side pocket account.

When the accounting firm audits the annual report of the Fund, it shall perform appropriate procedures and issue an audit opinion on the accounting and the disclosure in the annual report regarding the side pocket mechanism during the period of the operation of the Fund's side pocket mechanism.

Once the side pocket account assets are fully realised, the Fund Manager shall refer to the relevant requirements of the fund liquidation report and engage an accounting firm that meets the requirements of the Securities Law to audit the side pocket account and disclose special audit opinions.

(III) For any part of the relevant provisions of this Section on the side pocket mechanism that directly refers to laws, regulations, or regulatory rules, the Fund Manager may modify and adjust the content of this Section directly upon negotiation and agreement with the Fund Custodian and the performance of proper procedures in case of cancellation or change of relevant content as a result of future amendments to laws, regulations, or regulatory rules without the need to convene a Fund Unitholders' Meeting, provided that there is no substantial adverse effect on the interests of the Unitholders.



## **XVII. Risk Disclosures**

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

#### **1. Market risks**

The Fund primarily invests in the securities market. The fluctuations in prices in the securities market are brought on by various factors, such as economic factors, political factors, investors' psychology and trading system, etc., resulting in changes in fund income level and risks. The main risk factors include:

1. Policy risk. Risk arises when there are changes in the national macroeconomic policies, such as financial policies, monetary policies, industrial policies and local development policies, which may cause the fluctuations in prices in the securities market and affect the return on the Fund.
2. Economic cycle risk. Risk arises when the income level of the Fund's investment changes along with cyclical changes in the income level of the securities market due to cyclic changes in the economy.
3. Interest rate risk. Interest rate fluctuations in the financial market may result in changes in prices and yields in the securities market. The interest rate directly affects the prices and yields of bonds, and thus has an influence on financing costs and profits of enterprises. The Fund invests in bonds and stocks, and the return thereof may be subject to changes in interest rate.
4. Operational risk of listed companies. The operational conditions of listed companies are affected by various factors, such as management capability, industry competitions, market prospects, technology updates, new product research and development, etc., which may result in a change in the company's profit. If the listed companies invested in by the Fund are operated improperly, such companies' share price may drop or the distributable profit may decrease, resulting in a decrease in the return on the Fund's investment. Although the Fund may decentralise this non-systematic risk through investment diversification, this risk cannot be fully evaded.
5. Purchasing power risk. The income of a Unitholder will be allocated mainly through cash. The purchasing power of cash may decline due to inflation, and this would in turn reduce the actual return of the Fund.

#### **2. Management risk**

1. In the course of the management operation of the Fund, the Fund Manager's knowledge, experience, judgment, decision-making, skills, etc., shall have effects on his/her possession of information, and judgment on economic conditions, development prospects of the industry and movements of securities market prices, and thus influence the income level of the Fund.
2. Changes in factors such as management manner and techniques of the Fund Manager and the Fund Custodian may also affect the income level of the Fund.

### **3. Liquidity risk**

The liquidity risk of the Fund mainly lies in two aspects: Firstly, when the Fund Manager builds a position or makes portfolio adjustment for realisation of investment income, the stocks or the bonds may not be purchased or sold at the expected prices due to the relative low liquidity of individual stock markets; Secondly, for satisfying the redemptions from investors, when the liquidity of an individual stock is lower, the Fund Manager would be forced to sell a substantial amount of stocks or bonds at inappropriate prices. Both factors may cause adverse impacts on the NAV of the Fund. In respect of the Fund, the Fund mainly invests in small-cap and medium-cap stocks, which have lower liquidity than large-cap stocks. This may increase the transaction costs of the investment.

The Fund Manager will take full account of the liquidity risks facing the Fund, always be concerned about and take effective measures to manage the liquidity of the Fund diligently to ensure all investors may receive equitable treatment and guarantee that the Fund's trading arrangements are suitable for its investment strategy and the underlying assets invested throughout the duration of the product.

The Fund Manager have established an overall framework for liquidity risk management and identified different liquidity risk management tools to meet the specific requirements of different funds or strategies. The Fund Manager will take the greatest efforts to reduce the impact of liquidity risks, and the above-mentioned tools are designed to achieve this purpose. Nevertheless, liquidity risks cannot be completely eliminated.

### **4. Risks of activating the side pocket mechanism**

In case the Fund activates the side pocket mechanism, during the implementation of the side pocket mechanism, the disclosure of the NAV per Fund Unit of the side pocket account will be suspended, and no subscriptions, redemptions, or conversions will be allowed. Due to the uncertainty of the realisation time of the specific assets, the final realisation price is also uncertain and may be significantly lower than the valuation of the specific assets when the side pocket mechanism is activated, and Unitholders of the Fund may face losses as a result.

### **5. Specific risks**

In different stages of the economic development cycles, some industries can achieve better performance in particular stages of the economic cycles, thus creating dominant industries in such stages. The Fund will, by grasping the changes in economic cycles and relying on comprehensive judgment on factors such as the macro economy, industry policies, extent of industry prosperity and market fluctuation, adopt top-down asset and industry allocation strategies and bottom-up stock selection strategies, and select individual stocks with core competitive advantages in dominant industries.

Since the extent of industry prosperity is affected by various factors such as economic cycles, industry competition, market prospects, technical evolution and industry policies, changes may arise in the profitability of the industry. Though the risks of erroneous judgment on industry prosperity could be reduced by advance risk evaluations and post risk control, they could not be fully avoided. Thus, risk may arise on the industry selection for the Fund's investment due to deviation from the expectations on the industry prosperity.

Risk prevention measures: The Fund Manager will take advantage of professional research to strengthen the macro economy and industry research and prediction capabilities. The Fund Manager will conduct a correct analysis and judgment on the development trend of the extent of industry prosperity and will balance and adjust industrial asset allocation proportions, in order to minimise such risks.

## **6. Risks associated with investing in STAR Market-listed stocks include:**

### **(1) Liquidity risk for STAR Market-listed stocks**

The STAR Market has high investor eligibility barriers, and individual investors must meet certain conditions to be allowed to invest in STAR Market-listed stocks. Therefore, the STAR Market may have limited liquidity relative to other stock market boards. If homogeneous expectations are formed among institutional investors, there may be a risk that stocks cannot be transacted.

### **(2) Risk of companies listed on the STAR Market being delisted**

The STAR Market has relatively strict criteria for stock delisting, and temporary listing suspension, listing resumption and re-listing systems are not adopted for the STAR Market, meaning that companies listed on the STAR Market have greater exposure to delisting risk, which may adversely affect the Fund.

### **(3) Investment concentration risk**

As a newly established board, the STAR Market will initially offer a relatively limited number of investment targets, and investors could easily end up concentrating on a small number of stocks. Such limited focus in the market would pose a risk of investment concentration.

#### (4) Market risk

Most companies listed on the STAR Market specialize in high- and new-tech businesses and emerging strategic industries, such as next-generation information technology, high-end equipment, new materials, new energy, energy conservation and environmental protection and biomedicine. Most of these companies are startups with uncertainties in earnings, cash flow and valuation prospects. Therefore, there are differences between investments in the STAR Market and investments in the traditional secondary market. It is generally more difficult to invest in the STAR Market, and STAR Market-listed stocks have greater exposure to market risks.

Price fluctuation limits do not apply to STAR Market-traded stocks during the first five days after listing, and a daily price fluctuation limit of 20% applies from the sixth day onward. Relative to other boards, greater share price fluctuations are allowed on the STAR Market, and market risks increase accordingly.

#### (5) Systematic risk

All companies listed on the STAR Market are innovative technology enterprises that have gained a relatively high level of market recognition. They tend to have similar operating and profit models, so there is a relatively high degree of correlation among STAR Market-listed stocks. A market downturn will lead to significant systematic risks.

#### (6) Stock price fluctuation risk

A market-oriented approach is adopted for determining the price, issue size and tempo of initial public offerings (IPOs) on the STAR Market. Institutional investors will play a dominant role in quotation, pricing and placement activities. The quotation-based pricing model is adopted for all stock offerings on the STAR Market, and quotations will only be limited to seven types of professional institutional investors including securities companies. Individual investors cannot be directly involved in the issue-pricing process. Furthermore, given the typical characteristics of STAR Market-listed companies -- such as a high degree of technological innovation, uncertain performance prospects, huge earnings fluctuations and high risk -- only a limited number of comparable companies will be available in the market. Therefore, traditional valuation methods may not apply, and pricing will be more difficult. After listing, STAR Market-listed stocks may face the risk of price fluctuation.

#### (7) Policy risk

Any change in the level of support offered by the state for, and the level of importance that it attaches to, the high- and new-tech industries will have a major impact on listed companies on the STAR Market. Changes in the global economic situation will also have policy-level implications for emerging strategic industries and STAR Market-listed stocks.

## **7. Risk of investing in Chinese depositary receipts**

The Fund's investment scope includes Chinese depositary receipts. In addition to the common risks faced by other funds that only invest in the stocks listed on the Shanghai and Shenzhen Stock Markets, the Fund will also be exposed to the risks resulting from large price fluctuations and even large losses of Chinese depositary receipts, as well as the risks associated with the issuance mechanism of Chinese depositary receipts, including the risks that may arise from the differences in the legal status and rights of the holders of Chinese depositary receipts and the shareholders of the overseas issuers of the underlying securities; the risks that may arise from special arrangements of the holders of Chinese depositary receipts in the distribution of dividends and the exercise of voting rights; the risks of automatic constraints of depositary agreements on the holders of Chinese depositary receipts; the risks of differences in the price of Chinese depositary receipts and fluctuations due to multiple listings in different locations; the risks of dilution of the rights and interests of the holders of Chinese depositary receipts; the risks of delisting of Chinese depositary receipts; the risks that may arise from the potential differences in domestic and foreign ongoing information disclosure supervision of the issuers of the underlying securities that have been listed overseas; and other risks that may arise from the differences in domestic and foreign legal systems and regulatory environments.

## **8. Operational or technical risk**

In the operation process of various sectors of business by the related parties, any operation failures or violations of operation rules due to defective internal control or man-induced factors may cause risks, such as transactions beyond its authority and in violation of rules, frauds of accounting department, transaction errors and IT system failures.

In the course of various transactions or back-office operations of the open-end funds, the normal operation of transactions and the benefits of Unitholders may be affected by any failures or errors of technical systems. This kind of technical risk may arise from the management companies, Registrars, Sales Agencies, stock exchanges, and the securities registration and clearing institutions of the Fund.

## **9. Compliance risks**

Compliance risks refer to the risks of breaching the national laws and regulations during the course of management or operation of the Fund, or the risks of the investments of the Fund violating the regulations and the relevant provisions of the Fund Contract.

## **10. Risk of termination of the Fund Manager's duties**

In the event of illegal operation or the occurrence of a major risk situation, the Fund Manager may be disqualified from fund management, or be dissolved, withdrawn, or declared bankrupt in accordance with the laws. In the event that the Fund Manager's duties are terminated, investors are exposed to the risk of change of the Fund Manager or termination of the Fund Contract. Where the Fund Manager's duties are terminated and the division of responsibilities among the Fund Manager, the Interim Fund Manager, and the new Fund Manager is involved, they shall be held responsible according to the laws for the respective performance of their duties.

## **11. Other risks**

1. Risks arising from technical factors, such as the risk arising from unreliable computer systems;
2. Risks arising from deficient system construction, staffing and internal control system establishment due to rapid development of the Fund's business;
3. Risks arising from man-induced factors, such as the risks arising from insider dealings, fraud, etc.;
4. Risks arising from the dependence on the key personnel, such as the Fund Manager;
5. Risks arising from failure of normal operations of the Fund Manager, Fund Sales Agencies, etc. due to war, natural disasters and other force majeure affecting the completion of the Fund's Subscription and Redemption within the normal timeline.

### **(II) Statement**

1. The Fund has not been guaranteed by any level of government, agency or department. The Fund investors voluntarily invest in the Fund and they shall bear the investment risks at their own discretion.
2. Other than the sales of the Fund directly made by the Fund Manager, sales of the Fund are also made by agency via the Fund's Sales Agencies. However, the fund assets are not deposits or liabilities of these Sales Agencies, and the income is not guaranteed by the Fund's Sales Agencies. Therefore, the Sales Agencies cannot guarantee its income or the safety of the principal.

## **XVIII. Alteration and Termination of the Fund Contract and Liquidation of Assets of the Fund**

### **(I) Alteration of the Fund Contract**

1. Whereas the alterations of the Fund Contract incur any material effects on the rights and obligations of the Parties to the Fund Contract, a Unitholders' meeting shall be convened. The altered contents of the Fund Contract shall be agreed by the resolution of the Unitholders' meeting.
  - (1) Change in the operation mode of the Fund;
  - (2) Change in the type of the Fund;
  - (3) Change in the investment objectives, investment scope or investment strategy (unless otherwise provided by the Laws and Regulations and the CSRC);
  - (4) Change in the procedures of the Unitholders' meeting;
  - (5) Replacement of the Fund Manager or the Fund Custodian;
  - (6) Increase in the remuneration standards of the Fund Manager and the Fund Custodian or increase in fund sales service fees, except for the increase of such remuneration standards required by applicable relevant regulations;
  - (7) Merge of the Fund with other funds;
  - (8) Other matters, such as the matter which may have significant influence on the rights and obligations of Parties to the Fund Contract;
  - (9) Other situations as stipulated by the relevant laws and regulations, the Fund Contract or by the CSRC.

However, under any of the following circumstances, the alterations may be announced upon the consent of the Fund Manager and the Fund Custodian instead of the resolution of the Unitholders' meeting, and shall be reported to the CSRC for record:

- (1) To reduce the fund management fee, fund custody fee and other expenses that shall be borne by the Fund;
- (2) To charge the additional fees of the Fund as required the Laws and Regulations;
- (3) To change the rates of Subscription fee and charging methods of the Fund or reduce the Redemption fee rate, reduce fund sales service fee rate within the scope specified by the Laws and Regulations and the Fund Contract;
- (4) To revise the Fund Contract due to the changes made in the relevant Laws and Regulations;
- (5) Any revision in the Fund Contract that does not involve changes in the relationship between the rights and obligations of the Parties to the Fund Contract;
- (6) Any revision to the Fund Contract that does not affect adversely and substantially the interests of the Unitholders;
- (7) Other circumstances that the convening of the Unitholders' meeting is not required in accordance with the Laws and Regulations or the Fund Contract.

2. The resolutions of the Unitholders' meeting on the alterations of the Fund Contract shall be reported to the CSRC for approval or record, and shall come into force upon the approval from the CSRC or the issuance of opinions without objection and shall be announced in the Designated Media and on the Fund Manager's website after the effective date in accordance with the rules.

## (II) Termination of Fund Contract

Under any of the following circumstances, the Fund Contract shall be terminated upon the approval of the CSRC:

1. The Unitholders' meeting resolves to terminate the Fund Contract;
2. The Fund Manager fails to continue to perform the duties of the Fund Manager for the reasons of dissolution, bankruptcy and revocation, and no other appropriate fund management institution assumes its original rights and obligations within 6 months;
3. The Fund Custodian fails to continue to perform the duties of the Fund Custodian for the reasons of dissolution, bankruptcy and revocation, and no other appropriate custody institution assumes its original rights and obligations within 6 months;
4. Other circumstances required by the CSRC.



### (III) Liquidation of Assets of the Fund

#### 1. Liquidation team of assets of the Fund

- (1) When the Fund Contract is terminated, a liquidation team of assets of the Fund shall be established to conduct the liquidation of the Fund under the supervision of the CSRC.
- (2) The liquidation team of assets of the Fund shall consist of the Fund Manager or the Interim Fund Manager, the Fund Custodian, certified public accountants and lawyers who are qualified for engaging in securities and futures-related business, and persons appointed by the CSRC. The liquidation team of assets of the Fund may engage necessary staff.
- (3) The liquidation team of assets of the Fund shall be responsible for the safekeeping, clearing, valuation, realisation and allocation of the Fund's assets. The liquidation team of assets of the Fund can take necessary civil activities in accordance with relevant laws.

#### 2. Liquidation procedures of the Fund's assets

If the Fund Contract is terminated, the assets of the Fund shall be liquidated in accordance with the Laws and Regulations and the relevant provisions in the Fund Contract. The procedures of Assets liquidation of assets of the Fund mainly include:

- (1) An announcement shall be made regarding the liquidation of the assets of the Fund upon the termination of the Fund Contract;
- (2) When the Fund Contract is terminated, the liquidation team of assets of the Fund shall carry out a unified takeover of the Fund's assets;
- (3) To clear and confirm the Fund's assets;
- (4) To value and realise the Fund's assets;
- (5) To engage an accounting firm to audit the liquidation report;
- (6) To engage a law firm to issue legal opinion;
- (7) To report the results of liquidation of assets of the Fund to the CSRC;
- (8) To participate in the civil actions relating to the assets of the Fund.
- (9) To publish the liquidation report of the Fund's assets;
- (10) To allocate the remaining assets of the Fund.

### 3. Liquidation expenses

Liquidation expenses mean all reasonable fees and expenses incurred during the liquidation process of the Fund's assets carried out by the liquidation team of assets of the Fund, which shall be paid out of the Fund's assets by the liquidation team of assets of the Fund with priority.

### 4. The Fund's assets shall make payment in the following sequence:

- (1) Payment of liquidation expenses;
- (2) Payment of taxes in arrears;
- (3) Discharge of the Fund's debts;
- (4) Make allocation in proportion to the fund units held by the Unitholders.

The Fund's assets shall not be allocated to the Unitholders before the payments set forth in Items (1) to (3) above are made.

### 5. Announcement of liquidation of the Fund's assets

The announcement of liquidation of the Fund's assets shall be announced by the liquidation team of assets of the Fund within 5 Business Days after the Fund Contract is terminated and reported to the CSRC for record. Any material matters in the liquidation process shall be announced timely. The liquidation results of the Fund's assets which have been audited by an accounting firm and have been issued with legal opinion by a law firm, shall be reported to the CSRC for record and an announcement shall be made.

### 6. Keeping of account books and documents of liquidation of the Fund's assets

The Fund Custodian shall keep the account books and related documents of liquidation of the Fund's assets for more than 15 years.

## **XIX. Summary of the Fund Contract**

The main contents of the Fund Contract for JPMorgan China Sector Rotation Fund are as follows:

### **(I) Rights and Obligations of Unitholders, Fund Manager and Fund Custodian:**

#### **1. Rights of the Unitholders**

- 1) To share the income brought by the assets of the Fund;
- 2) To participate in the allocation of the remaining assets after liquidation;
- 3) To apply for redeeming their fund units which are held by them in accordance with the laws;
- 4) To request to convene the Unitholders' meetings in accordance with relevant provisions;
- 5) To attend or appoint a proxy to attend a Unitholders' meeting and exercise their voting rights on matters considered on the Unitholders' meeting;
- 6) To access and copy the publicly disclosed information of the Fund;
- 7) To supervise the investment operation of the Fund Manager;
- 8) To bring a suit against the violation of their legitimate interests by the Fund Manager, the Fund Custodian and the offering institutions of fund units;
- 9) Other rights stipulated by the Laws and Regulations and the Fund Contract.

Unless otherwise provided by laws and regulations or otherwise agreed upon in the Fund Contract, each fund unit in the same class shall have equal legitimate interests.

#### **2. Obligations of Unitholders**

- 1) To comply with the Laws and Regulations, the Fund Contract and other relevant provisions;
- 2) To pay the Application and Subscription monies of the Fund and the expenses specified by the Laws and Regulations and the Fund Contract;
- 3) To assume the limited liability for the loss of the Fund or the termination of the Fund Contract to the extent of the fund units it holds;

- 4) Not to engage in any activity that will impair the legitimate interests of the Fund or other Unitholders;
- 5) To execute the effective resolutions approved by the Unitholders' meetings;
- 6) To return any improper gains received from the Fund Manager, the agent of the Fund Manager, the Fund Custodian the Sales Agencies and other Unitholders for any reason during the course of trading of the Fund.
- 7) Other obligations specified by the Laws and Regulations and the Fund Contract.

### 3. Rights of the Fund Manager

- 1) To independently utilise the assets of the Fund pursuant to the relevant provisions in Laws and Regulations and the Fund Contract as from the Effective Date of Fund Contract;
- 2) To receive the fund management fees and other incomes stipulated by the Laws and Regulations or approved by the regulatory authorities pursuant to the Fund Contract;
- 3) To offer the fund units;
- 4) To exercise the rights arising from the investment of the Fund's assets in securities in accordance with relevant provisions;
- 5) Subject to the compliance with the relevant Laws and Regulations, to formulate and adjust the business rules related to the Application, Subscription, Redemption, switching, non-trading transfer, Agency Transfer, etc. of the Fund and to determine and adjust the relevant fee structure and charging methods of the Fund (except for increasing the custody fee rate and management fee rate) within the scope stipulated by the Laws and Regulations and the Fund Contract;
- 6) To supervise the Fund Custodian in accordance with the Fund Contract and the relevant provisions. The Fund Manager shall promptly report to the CSRC any acts which are in breach of the Fund Contract or the relevant Laws and Regulations by the Fund Custodian and might cause material losses to the assets of the Fund and/or to the interests of other parties concerned, and take necessary measures to protect the interests of the Fund and other parties concerned;

- 7) To reject or temporarily suspend accepting the application for Subscription and Redemption within the extent as agreed in the Fund Contract;
- 8) To carry out margin facility and securities borrowing in the interest of the Fund subject to the permission from the Laws and Regulations;
- 9) To act as or to select and replace the Registrar, to obtain the Register of Unitholders, and to conduct necessary supervision and inspection on its agency behaviour as the Registrar;
- 10) To select and replace the Sales Agencies and to conduct the necessary supervision and inspection on their behaviours in accordance with the sales service agency agreements of the Fund and the relevant Laws and Regulations;
- 11) To select and replace lawyers, auditors, securities broker and other external institutions which provide services to the Fund;
- 12) To nominate a new Fund Custodian in the event of the replacement of the Fund Custodian;
- 13) To convene a Unitholders' meeting pursuant to laws;
- 14) Other rights stipulated by the Laws and Regulations.

#### 4. Obligations of the Fund Manager

- 1) To carry out the fund offering pursuant to the laws, and to undertake or appoint other institutions identified by the CSRC to undertake the offering, Subscription, Redemption and registration of fund units;
- 2) To handle the procedures of record filing for the Fund;
- 3) To manage and use the assets of the Fund based on the principles of good faith and due diligence as from the Effective Date of Fund Contract;
- 4) To employ adequate qualified personnel with professional qualifications to conduct analysis and make decisions regarding the Fund's investment, and to manage and operate the assets of the Fund in a professional business manner;

- 5) To establish sound systems for internal risk control, supervision and auditing, financial management and personnel management, etc., so as to ensure the assets of the Fund under its management and the assets of the manager are independent to each other. To have separate management and separate book-entry on various funds managed by the Fund Manager and to carry out securities investment;
- 6) Not to seek benefits for itself or any third party or entrust any third party to operate the assets of the Fund unless otherwise provided by the Funds Law, the Fund Contract and other relevant provisions;
- 7) To be supervised by the Fund Custodian pursuant to laws;
- 8) To calculate and publish the NAV of the Fund, to confirm the Subscription and Redemption prices of the fund units;
- 9) To adopt appropriate and reasonable measures to ensure that the calculation methods for the Application, Subscription, Redemption and cancellation prices of fund units are in compliance with the provisions of legal documents, such as the Fund Contract, etc.;
- 10) To accept and handle the application for Subscription and Redemption and to pay the redemption monies in time and in full;
- 11) To carry out the financial accounting of the Fund and to prepare the financial and accounting reports of the Fund;
- 12) To prepare interim and annual reports of the Fund;
- 13) To perform the obligations of information disclosure and reporting in strict accordance with the Funds Law, the Fund Contract and other relevant provisions;
- 14) To keep business secrets of the Fund and not to disclose any investment plans, investment intentions, etc. of the Fund. To keep confidential of and not to disclose to others any information of the Fund before the same is made available to the public, save for disclosures required by the Funds Law, the Fund Contract and other relevant provisions;
- 15) To determine the income distribution plan of the Fund in accordance with the Fund Contract and to distribute the income to the Unitholders on a timely basis;

- 16) To convene or assist the Fund Custodian and Unitholders to convene the Unitholders' meetings in accordance with the Funds Law, the Fund Contract and other relevant provisions;
- 17) To maintain records, accounting books, statements of business activities of fund assets management and other relevant information;
- 18) To exercise the right of litigation or to implement other legal actions on behalf of the interests of the Unitholders in the name of the Fund Manager;
- 19) To organise and join in the liquidation team of the Fund's assets and participate in the keeping, clearing, valuation, realisation and allocation of the assets of the Fund;
- 20) To assume liability to pay compensation in case of any loss to the assets of the Fund or any harm to the legitimate interests of the Unitholders arising from the Fund Manager's breach in the Fund Contract. Such liability shall not be exempted due to its retirement;
- 21) To claim for compensation against the Fund Custodian for the Unitholders in the event of any losses of the assets of the Fund arising from the Fund Custodian's breach in the Fund Contract;
- 22) To provide the Fund Custodian with the register of Unitholders pursuant to the relevant provisions;
- 23) To report to the CSRC and notify the Fund Custodian in a timely manner in case of dissolution, revocation or bankruptcy according to laws;
- 24) To execute the effective resolutions approved by the Unitholders' meetings;
- 25) Not to engage in any activity that will impair the Fund or the interests of other concerned parties of the Fund;
- 26) To exercise the shareholders' rights of the investee company for the interests of the Fund, to exercise the rights arising from the investment of the Fund's assets in securities for the interests of the Fund, pursuant to the Laws and Regulations, and not to seek for shareholdings and direct management of the listed companies;
- 27) Other obligations specified by the Laws and Regulations, the CSRC and the Fund Contract.

## 5. Rights of the Fund Custodian

- 1) To receive the fund custody fees agreed in the Fund Contract and other incomes specified by the Laws and Regulations or approved by the regulatory authorities;
- 2) To supervise the investment operation of the Fund by the Fund Manager;
- 3) To keep in safe custody the assets of the Fund in accordance with the laws as from the Effective Date of Fund Contract;
- 4) To nominate a new Fund Manager in the event of the replacement of the Fund Manager;
- 5) To supervise the Fund Manager pursuant to the Fund Contract and the relevant regulations. The Fund Custodian shall promptly report to the CSRC any acts which are in breach of the Fund Contract or the relevant Laws and Regulations by the Fund Manager and might cause material losses to the fund assets and/or to the interests of other concerned parties;
- 6) To convene a Unitholders' meeting pursuant to laws;
- 7) To obtain the register of the Unitholders pursuant to the relevant provisions;
- 8) Other rights stipulated by the Laws and Regulations and the Fund Contract.

## 6. Obligations of the Fund Custodian

- 1) To safely keep the assets of the Fund;
- 2) To establish a specialised fund custody department, which operates in a business premise that meets the requirements, employs adequate qualified personnel who are familiar with the fund custody business, and is responsible for the custody of the assets of the Fund;
- 3) To maintain separate accounts for various assets of the Fund which are in its custody and to ensure the completeness and independence of the assets of the Fund;
- 4) Not to seek benefits for itself or any third party or entrust the assets of the Fund under custody by any third party unless otherwise provided by the Funds Law, the Fund Contract and other relevant provisions;
- 5) To safely keep all the material contracts related to the Fund and the evidences signed by the Fund Manager on behalf of the Fund;



- 6) To open capital account and securities account for the assets of the Fund pursuant to the relevant provisions;
- 7) To keep business secrets of the Fund. To keep confidential and not to disclose to others any information of the Fund before the same is made available to the public, save for disclosures required by the Funds Law, the Fund Contract and other relevant provisions;
- 8) To provide its opinion on the financial and accounting reports of the Fund as well as the interim and annual reports of the Fund to illustrate whether the Fund Manager's operation in all major aspects is in strict accordance with the provisions of the Fund Contract. In the event that the Fund Manager fails to perform the acts stipulated in the Fund Contract, it is also necessary to illustrate whether the appropriate measures have been taken by the Fund Custodian;
- 9) To keep the records, account books, statements and other related information of the custody business activities of the Fund;
- 10) To process the clearing and settlement in a timely manner according to the investment instructions of the Fund Manager pursuant to the agreed terms in the Fund Contract;
- 11) To carry out the information disclosures related to the custody business activities of the Fund;
- 12) To review and verify the NAV of the Fund calculated by the Fund Manager and the Subscription and Redemption prices of the fund units;
- 13) To supervise investment operation of the Fund Manager pursuant to the provisions;
- 14) To prepare relevant account books and check with the Fund Manager in accordance with the provisions;
- 15) To pay the Fund income and Redemption monies to the Unitholders pursuant to the instruction of the Fund Manager or relevant provisions;
- 16) To convene the Unitholders' meeting pursuant to the provisions or to cooperate with the Unitholders to convene the Unitholders' meeting by itself pursuant to the laws;
- 17) To assume liability to pay compensation in the case of any loss of the assets of the Fund incurred by the breach in the Fund Contract. Such liability shall not be exempted due to its retirement;

- 18) To claim for compensation against the Fund Manager for the Fund in the event that any losses of the assets of the Fund-arising from the Fund Manager's breach of the Fund Contract;
- 19) To join in the liquidation team of the Fund's assets and participate in the keeping, clearing, valuation, realisation and allocation of the assets of the Fund;
- 20) To report to the CSRC and the regulatory and management institutions of banking industry and notify the Fund Manager in a timely manner in case of dissolution, revocation or bankruptcy pursuant to laws;
- 21) To execute the effective resolutions approved by the Unitholders' meetings;
- 22) Not to engage in any activity that will impair the Fund or the interests of other concerned parties to the Fund;
- 23) To prepare and keep the register of the Unitholders;
- 24) Other obligations specified by the Laws and Regulations, the CSRC and the Fund Contract.

## (II) Procedures and Rules for Convening, Discussion on and Voting in Unitholders' meeting

### 1. Matters for Convening Unitholders' Meeting

The Unitholders' meetings shall be convened when there is an occurrence or a need for determining one of the following reasons and upon the proposal of the Fund Manager, the Fund Custodian or the Unitholders who hold not less than 10% (including 10%, same as below) of fund units (calculated on the basis of the fund units on the date when the Fund Manager receives such proposal, same as below):

- (1) To terminate of the Fund Contract;
- (2) To change of the operation mode of the Fund;
- (3) To change the type of the Fund;
- (4) To change the investment objectives, investment scope or investment strategy of the Fund (except for those otherwise provided by the Laws and Regulations and the CSRC);

- (5) To change the discussion procedures of the Unitholders' meeting;
- (6) To replace the Fund Manager or the Fund Custodian;
- (7) To increase the remuneration standards of the Fund Manager and the Fund Custodian or increase sales service fees, except for the increase of such remuneration standards are required by the Laws and Regulations;
- (8) To merge the Fund with other funds;
- (9) Other matters which have significant influence on the rights and obligations of Parties to the Fund Contract;
- (10) Other situations as stipulated by the relevant Laws and Regulations, the Fund Contract or by the CSRC.

## 2. Methods of Convening the Unitholders' Meeting

- 1) The Unitholders' meeting shall be convened by the Fund Manager unless otherwise agreed in Laws and Regulations or the Fund Contract. If the Fund Manager does not convene the meeting pursuant to the relevant provisions or cannot convene the meeting, the meeting shall be convened by the Fund Custodian.
- 2) The Fund Custodian shall submit a written proposal to the Fund Manager to convene the Unitholders' meeting as it considers necessary. The Fund Manager shall decide whether to convene the meeting and give a written notice to the Fund Custodian within 10 days after receipt of the written proposal. If the Fund Manager decides to convene the meeting, the meeting shall be convened within 60 days after the issuance of the written decision; if the Fund Manager decides not to convene the meeting and the Fund Custodian still considers that it is necessary to convene the meeting, the Fund Custodian shall convene the meeting on its own.
- 3) If the Unitholders representing more than 10% of fund units consider it necessary to convene a Unitholders' meeting, they shall submit a written proposal to the Fund Manager. The Fund Manager shall decide whether to convene the meeting and give a written notice to the representative(s) of the proposing Unitholders and the Fund Custodian within 10 days after receipt of the written proposal. If the Fund Manager decides to convene the meeting, the meeting shall be convened within 60 days after the issuance of the written decision; if the Fund Manager decides not to convene the meeting and the Unitholders representing more than 10% of fund units still consider that it is necessary to convene the meeting, they shall submit a written proposal to the Fund Custodian. The Fund Custodian shall decide whether to convene the meeting and give a written notice to the representative(s) of the proposing Unitholders and the Fund Manager within 10 days after receipt of the written proposal; if the Fund Custodian decides to convene the Unitholders' meeting, the meeting shall be convened within 60 days after the issuance of the written decision.

- 4) If the Unitholders representing more than 10% of fund units request to convene a Unitholders' meeting for the same matter but both the Fund Manager and the Fund Custodian decide not to convene the meeting, the Unitholders representing more than 10% of fund units are entitled to convene a Unitholders' meeting on their own, provided that they shall report to the CSRC for record at least 30 days in advance.
- 5) If the Unitholders convene a Unitholders' meeting pursuant to the laws on their own, the Fund Manager and the Fund Custodian shall cooperate and shall not obstruct or interfere.

### 3. Discussion procedures of the Unitholders' meeting

#### (1) Onsite meeting

In case of onsite meeting, the host of the meeting shall firstly declare the discussion procedures and considerations of the meeting according to the procedures prescribed, specify and announce the scrutineer, and then read out the proposals, which shall form the meeting resolutions in the presence of a legally practicing lawyer after discussion and voting.

The meeting shall be hosted by the authorised representative of the scrutineer. If the Fund Manager is the scrutineer and the authorised representative of the Fund Manager is unable to host the meeting, the meeting shall be hosted by the authorised representative of the Fund Custodian; if both the authorised representatives of the Fund Manager and the Fund Custodian are unable to host the meeting, a representative shall be selected as the host of the Unitholders' meeting by a majority votes cast by the attending Unitholders and the proxies representing more than 50% of fund units. If the Fund Manager and the Fund Custodian neither attend nor host the Unitholders' meeting, the validity of the resolutions made by the Unitholders' meeting shall not be affected.

The convener shall make a signature book of attendees of the meeting. The signature book shall set out information, such as the name (or entity name), identification number, number of fund units with voting rights held and represented, name of principal (or entity name), etc. of the attendees of the meeting.

#### (2) Communications meeting

In case of meeting of communications for voting, the convener shall firstly announce the proposals 30 days in advance. All the valid votes shall be counted on the second Business Day after the notified voting deadline under the supervision of a notary institution and the superintendent, and then the resolutions will be formed. If the superintendent has been notified but refused to conduct a supervision onsite, the validity of the resolution formed under the supervision of notary institution shall not be impacted.

- (3) Voting cannot be made at a Unitholders' meeting for an agenda item that was not announced in advance.

#### 4. Voting procedures of the Unitholders' meeting

- 1) Each fund unit held by the Unitholders is entitled to equal voting right.
- 2) Resolutions of the Unitholders' meetings include ordinary resolutions and special resolutions;

##### (1) Ordinary resolutions

To be effective, an ordinary resolution shall be approved by more than 50% of the voting rights held by the Unitholders (or their proxies) who attend the meeting. Except for the matters specified in paragraph (2) below which must be approved by a special resolution, all other matters shall be approved by an ordinary resolution;

##### (2) Special resolutions

To be effective, a special resolution shall be approved by more than two-third (inclusive) of the voting rights held by the Unitholders (or their proxies) who attend the meeting. To be effective, matters relating to replacement of the Fund Manager, replacement of the Fund Custodian, change of operation mode of the Fund and termination of the Fund Contract must be approved by a special resolution;

- 3) The matters to be decided at the Unitholders' meeting shall be reported to the CSRC in accordance with the laws for approval or filing, and an announcement shall be made;
- 4) If the voting process is carried out by means of communication, the written voting opinions which apparently comply with the relevant Laws and Regulations and the notice of meeting notice shall be deemed as valid votes, unless there are sufficient evidences to the contrary. Any vague or contradictory voting opinions shall be deemed as abstain from voting; however, they shall be included in the total number of fund units represented by the Unitholders who submitted the written voting opinions;
- 5) The Unitholders' meeting adopts registered voting;
- 6) Each proposal or each topic listed in the same proposal of a Unitholders' meeting shall be deliberated separately and voted one by one.

### (III) Reasons for Discharge and Termination of the Fund Contract

Under any of the following circumstances, the Fund Contract shall be terminated upon approval of the CSRC:

- 1) The Unitholders' meeting resolves to terminate the Fund Contract;
- 2) The Fund Manager fails to continue to perform the duties of the Fund Manager for the reasons of dissolution, bankruptcy and revocation, and no other appropriate fund management institution assumes its original rights and obligations within 6 months;
- 3) The Fund Custodian fails to continue to perform the duties of the Fund Custodian for the reasons of dissolution, bankruptcy and revocation, and no other appropriate fund custody institution assumes its original rights and obligations within 6 months;
- 4) Other circumstances required by the CSRC.

### (IV) Settlement of Disputes and Applicable Laws

The Parties to the Fund Contract shall endeavour to settle the disputes relating to the conclusion, contents, performance and interpretation of the Fund Contract or in connection with the Fund Contract through negotiation and mediation. Any Party who is unwilling or unable to settle such disputes through negotiation and mediation shall be entitled to submit the disputes to the China International Economic and Trade Arbitration Commission for arbitration pursuant to the arbitration rules then in force of the China International Economic and Trade Arbitration Commission. The arbitration shall take place in Shenzhen. The arbitral award shall be final and binding on the parties concerned and the arbitration expense shall be borne by the losing party.

During the settlement of disputes, the Parties to the Fund Contract shall observe their respective duties and responsibilities, continue to perform their obligations as set forth in the Fund Contract faithfully, diligently and responsibly, and shall maintain the legitimate interests of the Unitholders.

The Fund Contract shall be governed by the laws of the PRC.

### (V) Venues of Placing the Fund Contract and Methods of Obtaining the Fund Contract by Investors

The Fund Contract can be printed in hard copies for inspection by Investors at the offices and premises of the Fund Manager, the Fund Custodian, the Sales Agencies and the Registrars, but for validity, the original of the Fund Contract shall prevail.

## **XX. Summary of the Fund Custody Agreement**

### **(I) Parties to the Custody Agreement**

1. Fund Manager: JPMorgan Asset Management (China) Company Limited (see Article 3 of this Prospectus for specific information)

2. Fund Custodian: China Merchants Bank Co., Ltd.

Name: China Merchants Bank Co., Ltd. (hereinafter referred to as “China Merchants Bank”)

Date of Establishment: April 8, 1987.

Registered Address: China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen

Business Address: China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen

Registered Capital: RMB 25.22 Billion

Legal Representative: Miao Jianmin

President: Mr. Wang Liang

Asset Custody Business Approval Number: Zheng Jian Ji Jin Zi [2002] No. 83

Telephone Number: 0755-83199084

Fax Number: 0755—83195201

Head of the Information Disclosure Division of Asset Custody Department: Zhang Shan

Business Scope: Deposits from public; granting short-term, medium-term and long-term loans; settlements; bills discounting; issue of financial bonds; agency issue, agency payment, underwriting of government bonds; trading of government bonds; interbank borrowing; providing letter of credit service and guarantee; agency collection and payment and agency insurance; safe deposit box service. Foreign currency deposits; foreign currency loans; foreign exchange remittance; foreign currency exchange; international settlement; exchange settlement and exchange sales; interbank foreign currency borrowing; foreign currency bills acceptance and discounting; foreign exchange borrowing; foreign exchange guarantee; issuing and issuing as an agent foreign currency marketable securities other than stocks; trading and trading as an agent foreign currency marketable securities other than stocks; proprietary trading of foreign exchange and trading of foreign exchange on behalf of clients; credit investigation, consultation, attestation business, and offshore financial business. Other business approved by the People’s Bank of China.

Organisational form: Company Limited by Shares

Duration of existence: continuous operation

## (II) Business Supervision and Verification between the Fund Custodian and the Fund Manager

1. The Fund Custodian shall supervise the investment scope and investment object of the Fund in accordance with the provisions of the relevant Laws and Regulations and the Fund Contract. If the investment style or securities selection criteria of the Fund have been clearly agreed in the Fund Contract, the Fund Manager shall provide the Fund Custodian with the pools of investment types and counterparties in advance, to enable the Fund Custodian to supervise whether the Fund's actual investment is in line with securities selection criteria agreed in the Fund Contract.

The Fund Custodian can refuse to execute the investment behaviour dispatched by the Fund Manager which is not in compliance with the stipulations in the Fund Contract, and shall send a written notice to the Fund Manager. If the Fund Custodian discovers that any executed investment behaviour is not in compliance with the stipulations in the Fund Contract, the Fund Custodian shall send a written notice to the Fund Manager for making adjustments and amendments, and shall report the case to the CSRC.

2. The Fund Custodian shall supervise the proportion of investment and margin facility of the Fund in accordance with the provisions of the relevant laws and regulations and the Fund Contract.

The Fund Custodian shall supervise whether the proportion of investment and margin facility of the Fund is in compliance with the stipulations in the Fund Contract. The Fund Custodian shall supervise whether the asset allocation proportion of the Fund's investment agreed in the Fund Contract (starting from 6 months after the Effective Date of Fund Contract), the proportion limit of single investment type, limit for margin facility, stock subscription limit, and proportion of the Fund's investment are in compliance with regulations and stipulations in the Fund Contract; if not, the Fund Custodian shall send a written notice to the Fund Manager for making adjustments and amendments promptly. The timeline of adjustments and amendments shall be in line with the adjustment timeline of investment proportion permitted by regulations and the Fund Contract.

If the investment proportion of the Fund does not comply with the above investment proportions due to the factors not attributable to the Fund Manager, such as the fluctuations of securities market, the merger of listed companies, the change in fund size, etc., the Fund Manager shall make adjustment within 10 trading days. Under the aforesaid special circumstances, the Fund Manager shall make adjustments and amendments pursuant to the provisions stipulated by the CSRC and the relevant Laws and Regulations.



3. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise the prohibited investment activities specified in Clause 9 of Article 15 of the Custody Agreement. The Fund Custodian shall supervise the prohibited investment activities and the connected transactions of the Fund Manager in the manner of post-supervision. Pursuant to the provisions of the Laws and Regulations which prohibit the Fund from engaging in the connected transactions, the Fund Manager and the Fund Custodian shall provide each other with the list of shareholders who have shareholding relationship with this entity, the list of companies which have other material interests with this entity and the list of securities issued by the related connected parties in advance. The Fund Manager and the Fund Custodian shall be responsible for ensuring the truth, accuracy, and completeness of the list of connected transactions and shall be responsible for sending the updated list to the other party in a timely manner.

When the Fund Custodian discovers that the Fund Manager and the connected parties in the list of connected transactions carry out the connected transaction of which the Fund is prohibited to engage by relevant Laws and Regulations, and if the occurrence of such connected transaction could not be prevented after the Fund Custodian has reminded the Fund Manager, the Fund Custodian shall have the right to report this case to the CSRC.

4. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the Fund Contract, supervise the Fund Manager's participation in the interbank bond market. The Fund Manager shall, before the operation of fund investment, provide the Fund Custodian with a list of interbank bond market counterparties which are in compliance with the Laws and Regulations and standards in the industry, are selected carefully and are suitable for the Fund. The Fund Manager has a responsibility to make sure that the updated list of counterparties is sent to the Fund Custodian in a timely manner. Otherwise, the Fund Manager shall be liable for losses arising therefrom. The Fund Manager shall select the counterparties in the interbank bond market strictly according to the scope of the list of counterparties. The Fund Custodian shall supervise whether the Fund Manager has carried out the transaction in accordance with the list of interbank bond market counterparties provided in advance. During the Duration of the Fund, the Fund Manager can adjust the list of trading counterparties, provided that the adjustment results shall be sent to the Fund Custodian at least one Business Day in advance. The transaction which was carried out with the counterparty that is deleted in this adjustment before the new list is confirmed but has not been settled, shall still be settled in accordance with the agreement.

The Fund Manager shall be responsible for the credit control of the counterparties, and shall carry out the transactions according to the trading rules of the interbank bond market, and shall be responsible for resolving the disputes and losses arising from the breach of contract of the counterparties. The Fund Custodian shall supervise the performance of the contract according to the contract note of the interbank bond market. In the case that the Fund Custodian later discovered that the Fund Manager fails to carry out transaction with the counterparties or in the manner as agreed in advance, the Fund Custodian shall remind the Fund Manager in a timely manner and shall not assume any loss or liability caused therefrom.

5. If the Fund invests in the restricted floating securities, the Fund Manager and the Fund Custodian shall, in accordance with the relevant regulations of the CSRC, sign a supplemental agreement concerning the relevant matters with the Fund Custodian after a consensus is reached through consultation. The proportion of restricted floating securities invested by the Fund shall be specified in the supplemental agreement. The Fund Manager shall formulate a strict investment decision-making flow and risk control system to prevent various risks, such as liquidity risk, legal risk and operational risk, etc. The Fund Custodian shall supervise whether the Fund Manager observes the relevant systems, the liquidity risk treatment plan and the relevant investment quota and proportion, etc.
6. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise and verify the calculation of NAV of the Fund, the calculation of NAV per Fund Unit of each class, the receipt of accounts receivables, the determination of Fund's fees and income, the fund income distribution, the relevant information disclosure, the data of results and performance contained in the promotional materials of the Fund.
7. If the Fund Custodian discovers that the Fund Manager's above matters, investment instructions or actual investment operation are in breach of the Laws and Regulations and the provisions of the Fund Contract and the Custody Agreement, the Fund Custodian shall, in a timely manner notify the Fund Manager by a phone reminder or a written reminder to make a correction within a period of time. The Fund Manager shall actively cooperate with and assist in the supervision and verification conducted by the Fund Custodian. Upon the receipt of the notice, the Fund Manager shall make verification in time and shall reply to the Fund Custodian. If the written notice has been received, the Fund Manager shall reply to the Fund Custodian in writing, in order to provide explanation and proof for the doubts of the Fund Custodian and to specify the reasons of the breach and the deadline for correction. The Fund Custodian shall, within the above specified period, have the right to review the matters as set forth in the notice and urge the Fund Manager to make corrections. In case that the Fund Manager fails to correct its violations notified by the Fund Custodian within the said period of time, the Fund Custodian shall report to the CSRC.
8. The Fund Manager shall be obliged to cooperate with and assist in the Fund Custodian to verify the Fund's business pursuant to the Laws and Regulations, the Fund Contract and the Custody Agreement. Such instances including but not limited to that if a written reminder is sent by the Fund Custodian, the Fund Manager shall make a reply and correction within the specified period of time, or shall provide explanation and proof for the doubts of the Fund Custodian. When the Fund Custodian is required to submit the fund supervision report to the CSRC pursuant to the Laws and Regulations, the Fund Contract and the Custody Agreement, the Fund Manager shall actively cooperate in providing the relevant data and system, etc.
9. In case that the Fund Custodian discovers that the instructions of the Fund Manager which have been put into effect pursuant to trading procedures are in breach of the laws, administrative regulations and other related provisions or are in breach of the agreed provisions in the Fund Contract, the Fund Custodian shall notify the Fund Manager immediately for making corrections in a timely manner, and the losses caused therefrom shall be borne by the Fund Manager.

10. Whereas the Fund Custodian discovers that the Fund Manager is in material breach, the Fund Custodian shall report to the CSRC in a timely manner and shall at the same time notify the Fund Manager to make corrections within the specific period.
11. When the Fund holds specific assets and there are, or there potentially will be substantive redemption applications, in accordance with the principle of protecting the interests of Unitholders to the greatest extent, the Fund Manager can activate the side pocket mechanism in accordance with laws and regulations and as agreed in the Fund Contract without convening a Unitholders' Meeting for deliberation after negotiation and agreement with the Fund Custodian and consultation with the Accounting Firm.

The Fund Custodian shall review and supervise the activation of the side pocket mechanism, disposal of specific assets, and information disclosure in accordance with the provisions of relevant laws and regulations and the agreement of the Fund Contract. The specific rules during the implementation of the side pocket mechanism shall be implemented in accordance with the provisions of relevant laws and regulations and the agreement of the Fund Contract.

### (III) Safekeeping of the Fund's Assets

1. The assets of the Fund shall be independent from the owned assets of the Fund Manager and the Fund Custodian.
2. The Fund Custodian shall safely keep the assets of the Fund.
3. The Fund Custodian shall open the capital account and the securities account for the assets of the Fund pursuant to the provisions.
4. The Fund Custodian shall set up separate accounts for different assets of the Fund under its custody to ensure the completeness and independence of the Fund's assets.
5. The Custodian shall keep the assets of the Fund according to the instructions given by the Fund Manager and pursuant to the Fund Contract and the agreed provisions in this Agreement. The Fund Custodian shall not utilise, dispose of and allocate any part of assets of the Fund by himself/herself without a proper instruction made by the Fund Manager. The liabilities incurred by the damages and losses of the physical securities which are not under the actual and effective control of the Fund Custodian shall not be borne by the Fund Custodian.
6. For the assets receivable incurred by the fund investment, the Fund Manager shall be responsible for confirming a credit date with the relevant parties and inform the Fund Custodian of the date. If the assets of the Fund did not arrive at the Fund's account on the credit date, the Fund Custodian shall, in a timely manner, notify the Fund Manager to take actions to call for payment. If the Fund Manager fails to call for payment in a timely manner and thus losses on the Fund's assets arise therefrom, the Fund Manager shall be responsible for making recovery of the losses on the Fund's assets from the parties concerned.
7. The Fund Custodian shall not entrust any third party to engage in the custody of the Funds' assets unless otherwise provided by the Laws and Regulations and the Fund Contract.

## (IV) Calculation and Review of the Fund Income and the NAV of the Fund

### 1. NAV of the Fund

The NAV of the Fund is the amount calculated by deducting liabilities from the Total Asset Value of the Fund. For all classes of fund units, the NAV per Fund Unit of respective class refers to the amount calculated by dividing the NAV of the respective class Fund Units on the calculation date by the total number of fund units of the same class on the calculation date.

The NAV per Fund Unit means the NAV of the Fund is divided by the total number of the fund units. The NAV per Fund Unit of each class shall be calculated with precision up to 0.0001 Yuan and be rounded to the fourth decimal place. Whereas there are provisions otherwise provided by the State, such provisions shall be observed.

Codes are assigned to Class A Unit, Class C Unit and Class H Unit of the Fund respectively and the NAV per Fund Unit is calculated separately.

The Fund Manager shall calculate the NAV of the Fund and the NAV per Fund Unit at each Business Day, and make an announcement as stipulated after the review and verification of the Fund Custodian.

### 2. Procedures for Review

After the fund assets are valued by the Fund Manager on each Business Day, the Fund Manager shall send the result of the NAV per Fund Unit to the Fund Custodian, and the Fund Manager shall publish the result after the result has been reviewed and verified by the Fund Custodian.

3. In accordance with the relevant Laws and Regulations, the calculation of the NAV of the Fund and the accounting and auditing of the Fund shall be the obligations of the Fund Manager. The Fund Manager shall be responsible for the accounting of the Fund. Therefore, with regard to the accounting issues related to the Fund, if the parties involved fail to reach an agreement upon adequate discussions on the basis of equality, the NAV of the Fund calculated by the Fund Manager shall prevail and shall be published.

## (V) Registration and Safekeeping of the Register of Unitholders

The register of the Unitholders shall at least contain the name of Unitholders, certificate number and the fund units held by them. The register of the Unitholders shall be prepared and kept by the Registrar of the Fund pursuant to the instructions of the Fund Manager. The Fund Manager and the Fund Custodian shall keep the register of Unitholders respectively for a retention period of not less than 15 years. The Fund Manager and the Fund Custodian shall assume the liability for improper safekeeping in accordance with the relevant Laws and Regulations.

The Fund Manager shall, pursuant to relevant regulations, send the relevant information about register of Unitholders to the Fund Custodian regularly. The Fund Manager shall not refuse without any reason or shall not defer providing the relevant information to the Fund Custodian and shall guarantee the authenticity, accuracy and completeness of the said information. The Fund Manager and the Fund Custodian shall not use the register of the Unitholders for the purposes other than the fund custody business, and shall observe the confidentiality obligation.

## (VI) Settlement of Disputes and Applicable Laws

Both parties shall settle any disputes arising from or relating to this Agreement through negotiation or mediation. Whereas the disputes cannot be settled through negotiation or mediation, either party shall have the right to submit the disputes to the China International Economic and Trade Arbitration Commission for arbitration in Shenzhen according to the arbitration rules then in force of China International Economic and Trade Arbitration Commission. The arbitration award is final and binding on all the parties concerned, and the arbitration fees shall be borne by the losing party.

During the settlement of disputes, both parties shall observe their respective duties and responsibilities as the Fund Manager and the Fund Custodian, continue to perform their obligations as set forth in the Fund Contract and this Custody Agreement faithfully, diligently and responsibly, and shall maintain the legitimate interests of the Unitholders.

The Agreement shall be governed by laws of the PRC.

## (VII) Modification and Termination of the Custody Agreement

### 1. Modification Procedures of the Custody Agreement

Both parties to this Agreement may modify the Agreement after negotiation. The new Agreement after modification shall not be contradictory to the provisions of the Fund Contract. The modifications of the Fund Custody Agreement shall take effect after the submission to the CSRC for approval or record.

## 2. Circumstances for Termination of the Fund Custody Agreement

- 1) The Fund Contract is terminated;
- 2) The Fund Custodian is dissolved, legally withdrawn, in bankruptcy or the fund assets are taken over by other Fund Custodians;
- 3) The Fund Manager is dissolved, legally withdrawn, in bankruptcy or the fund management rights are taken over by other Fund Managers;
- 4) Other termination events stipulated by to the Laws and Regulations or the Fund Contract occur.

## **XXI. Services to Unitholders**

The Fund Manager undertakes to provide a wide range of services to the Unitholders. The Fund Manager will increase or change the service items according to the needs of Unitholders and the changes in the market. The main services are as follows:

### (I) Delivery of materials

#### 1. Account Statement of Fund Investors:

The Fund Manager will send the account statement in written or electronic form to the Unitholders involved in trading periodically or non-periodically.

#### 2. Other relevant information

### (II) Charging options

In the appropriate occasions, the Fund Manager will provide Fund Investors with several charging modes for them to invest in the Fund, so as to meet the diversified investment demands of Fund Investors. Please refer to the relevant announcement for the specific implementation method.

### (III) Electronic trade services of the Fund

The Fund Manager will provide Fund Investors with electronic trade services. Investors may visit the website of the Fund Manager ([am.jpmorgan.com/cn](http://am.jpmorgan.com/cn)) for details.

### (IV) Contact information

JPMorgan Asset Management (China) Company Limited  
Consulting Hotline: 400 889 4888, 021 3879 4888  
Website: [am.jpmorgan.com/cn](http://am.jpmorgan.com/cn)

## **XXII. Availability and Inspection of the Prospectus**

The Prospectus is kept in the offices and business locations of the Fund Manager and Fund Sales Agencies and copies are available free of charge for the Fund Investors. After paying the handling charge, Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

## **XXIII. Other Matters to be Disclosed**

1. Announcement of China International Fund Management Co., Ltd. (CIFM) on Change of Senior Management was issued on April 1, 2023;
2. Announcement on the Change of the Legal Name of the Company was issued on April 12, 2023;
3. Announcement of JPMorgan Asset Management (China) Company Limited on the Change of Its Funds Names was issued on April 12, 2023;
4. Announcement of JPMorgan Asset Management (China) Company Limited on the Change in Chairman of the Board of Directors was issued on April 27, 2023;
5. Announcement of JPMorgan Asset Management (China) Company Limited on the Change of the Legal Name of Shenzhen Branch was issued on May 13, 2023;
6. Announcement of JPMorgan Asset Management (China) Company Limited on the Change of the Legal Name of Beijing Branch was issued on May 19, 2023;
7. Announcement of JPMorgan Asset Management (China) Company Limited on the Change of Senior Management was issued on June 30, 2023;
8. Announcement of JPMorgan Asset Management (China) Company Limited on the Change of Senior Management was issued on September 16, 2023;
9. Announcement on the Change of Registered Address of JPMorgan Asset Management (China) Company Limited was issued on November 17, 2023;
10. Announcement of JPMorgan Asset Management (China) Company Limited on the Change of Senior Management was issued on January 18, 2024.

The aforementioned announcements have been published via media outlets designated by the China Securities Regulatory Commission.

## **XXIV. Documents Available for Inspection**

- (I) Documents for the Fund Offering Approved by the CSRC
- (II) Fund Contract for JPMorgan China Sector Rotation Fund
- (III) Custody Agreement
- (IV) Legal Opinion
- (V) Approval of the Fund Manager's professional qualification certificate and business license
- (VI) Approval of the Fund Custodian's professional qualification certificate and business license
- (VII) Business Rules on Open-end Funds of JPMorgan Asset Management (China) Company Limited
- (VIII) Other documents required by the CSRC

The above documents available for inspection are kept in the offices and business locations of the Fund Manager and Fund Sales Agencies, and are available for the Fund Investors to inspect free of charge. After paying a handling charge, Fund Investors may obtain a duplicate or a copy of the above documents within a reasonable time.



[www.jpmorgan.com/hk/am/](http://www.jpmorgan.com/hk/am/)