

Submission ID

E01014

Region

Hong Kong

Category

Fixed Income ETF

Name of firm

China Asset Management (Hong Kong) Limited

The Flagship Fund's name

ChinaAMC Asia USD Investment Grade Bond ETF

The Fund's ISIN Code

HK0000221389

Data as of the quarter-end

30/06/2021

Pillar 1 - Investment Proposition**1. Management style: This ETF is managed according to the following style.**

Passive, index-tracking (including smart beta and other strategies that replicate any index, even if the

2. Index weighting: This question is about the index on which your ETF is based. What is the weighting of that index based on?

Yes, there are material consequences, including bonus reduction, promotion freeze and/or specific financial consequences on the ultimately responsible individual

3. Competitive edge: Compared with similar ETFs available, what is your ETF's unique proposition to investors?

- * For retail investors and smaller institutions, our ETF provides access to assets, markets or investment strategies that are usually only available to large, major institutional asset owners
- * Access to inaccessible markets, or assets, for all investors
- * Trading in local time, instead of North American or European time
- * Better execution, resulting in tighter bid/ask, lower expense ratios, etc.
- * Better liquidity of underlying assets, leading to better risk management
- * Physical replication or holdings, as opposed to synthetic or other non-physical means
- * Our ETF is based on a different index from competing ETFs, giving our ETF a better risk-return profile
- * Our ETF has a lower tracking error over 3 years or more
- * Our ETF has a longer track record
- * Our ETF charges lower management fees
- * Our ETF has a better known brand

4. Index selection: When you selected the base index for this ETF, what were your requirements?

- * The index was produced by a firm reputed for robust research and strong processes
- * The index was produced by a company with more than 10 years' track record in indexing
- * The index allows for 85-100% physical replication at reasonable costs and risks
- * The index's components have reasonable to high liquidity in the secondary markets
- * The index's components can be traded cost-effectively
- * The index is reasonably diversified and is not overly concentrated in any single security, sector, country/region, credit quality, etc.