

PRODUCT KEY FACTS

CMB International Open-ended Fund Company
 CMB International HKD Money Market Fund
 January 2025

Issuer: CMB International Asset Management Limited

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

Quick facts

Manager:	CMB International Asset Management Limited
Custodian:	CMB Wing Lung (Trustee) Limited
Ongoing charges over a year:	Class A (Accumulation) Shares: estimated to be 0.25%# Class C (Accumulation) Shares: estimated to be 0.45%# Class I (Accumulation) Shares: estimated to be 0.15%# Class M (Accumulation) Shares: estimated to be 0.10%# Class R (Accumulation) Shares: estimated to be 0.70%#
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	HK Dollars (HKD)
Dividend policy:	No dividend distribution (income, if any, will be reinvested)
Financial year end of the Sub-Fund:	31 December
Minimum initial investment:	Class A HKD: HKD 500,000 Class C HKD: HKD 50,000 Class I HKD: HKD 5,000,000 Class M HKD: HKD 1,000 Class R HKD: HKD 1,000
Minimum subsequent investment	Class A HKD: HKD 10,000 Class C HKD: HKD 1,000 Class I HKD: HKD 100,000 Class M HKD: HKD 1 Class R HKD: HKD 1

This figure is an estimate only as the Sub-Fund is newly launched. It represents the sum of the estimated ongoing expenses chargeable to the respective class of the Sub-Fund over a 12-month period expressed as a percentage of the estimated average NAV of the representative class of the Sub-Fund over the same period. The actual figure may be different upon actual operation of the Sub-Fund and the figure may vary from year to year.

What is this product?

CMB International HKD Money Market Fund (the “**Sub-Fund**”) is a sub-fund of the CMB International Open-ended Fund Company (“**Company**”), which is a public umbrella open-ended fund company (“**OFC**”) established under Hong Kong law with variable capital with limited liability and segregated liability between sub-funds.

The purchase of a Share in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Sub-Fund does not guarantee repayment of principal and the Manager has no obligation to redeem the Shares at the offer value. The Sub-Fund does not have a constant Net Asset Value (“NAV”). The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Objectives and Investment Strategy

Objective

The Sub-Fund’s objective is to invest in short term deposits and high quality money market investments. The Sub-Fund seeks to achieve a return in HKD in line with prevailing money market rate. There can be no assurance that the Sub-Fund will achieve its investment objective.

Strategy

The Sub-Fund seeks to achieve its investment objective by investing primarily (i.e., not less than 70% of its NAV) in HKD-denominated short-term deposits and high-quality money market instruments issued by governments, quasi-governments, international organisations, financial institutions and corporations. The Sub-Fund may invest up to 30% of its NAV in non-HKD-denominated short-term deposits and high-quality money market instruments. The Manager will hedge non-HKD-denominated investments into HKD in order to manage any material currency risk.

Short-term Deposits and High-Quality Money Market Instruments

There is no specific geographical allocation of the country of issue of the high-quality money market instruments or short-term deposits. Countries or regions in which the Sub-Fund may invest in include the United States, Singapore, the European Union and Greater China (comprising Mainland China, Hong Kong, Macau and Taiwan). The Sub-Fund may invest in aggregate up to 100% of its NAV in Greater China. The Sub-Fund will invest less than 20% of its NAV in emerging markets other than Mainland China.

In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the instrument must be taken into account. High quality money market instruments include fixed income securities, commercial papers, and certificates of deposits, short-term notes and commercial bills. The Sub-Fund may invest up to 100% of its NAV in fixed income securities, which may include but are not limited to government bonds, fixed and floating rate bonds.

The Sub-Fund will only invest in fixed income securities rated investment grade or above. For the purposes of the Sub-Fund, investment grade is defined as below based on the original maturity of a fixed income security:

- A long-term fixed income security which (or the issuer of which) is rated BBB- / Baa3 or above by an internationally recognised credit rating agency (such as Fitch’s, Moody’s and Standard & Poor’s) or rated AA+ or above by a Mainland China credit rating agency. For split credit ratings, the highest rating shall apply. For the avoidance of doubt, the Sub-Fund does not intend to invest in fixed income securities with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the Sub-Fund invests in fixed income securities which have been rated long-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out below) at the time of purchase by the Sub-Fund; and
- A short-term fixed income security which (or the issuer of which) is rated F3 / P-3 / A-3 or above by an internationally recognised credit rating agency (such as Fitch’s, Moody’s and Standard & Poor’s) or rated A-1 or above by a Mainland China credit rating agency. For split credit ratings, the highest rating shall apply.

In assessing the credit quality of debt securities, if the relevant debt security does not itself have a credit rating, then reference will be made to the credit rating of the issuer of such debt security. The Manager will consider the credit rating of the banking group to which the issuing bank belongs to if the issuer is not rated. If neither the debt security nor the issuer and the banking group to which the issuing bank is rated, it will be classified as unrated.

For investment grade (either the security or its issuer) fixed income securities, the Manager will assess the credit risks of the fixed income security on an ongoing basis based on quantitative and qualitative fundamentals, including but not limited to the issuer's leverage, operating margin, return on capital, interest coverage, operating cash flows, industry

outlook, the firm's competitive position and corporate governance etc. to ensure that the fixed income security that the Sub-Fund invests in is of sound credit quality.

The Manager will assess the liquidity profile of instruments based on, amongst other factors, time to cash, external liquidity classification, liquidation horizon, daily trading volume, price volatility and bid-ask spread of such instruments. Only instruments with sufficient liquidity will be included in the portfolio of the Sub-Fund.

The Sub-Fund may invest in aggregate no more than 15% of its NAV in onshore China fixed income securities, such as government bonds, policy bank bonds, negotiable certificates of deposits, through all available means, including but not limited to, the Qualified Foreign Investor regime (“**QFI Regime**”), Bond Connect (i.e., the initiative for mutual bond market access between Mainland China and Hong Kong), the China Interbank Bond Market direct access regime (“**CIBM Direct Access**”), or such other means as permitted by the relevant regulatory authorities from time to time (as defined in the Prospectus).

The Sub-Fund will not invest in any convertible bonds or instruments with loss absorption features.

Weighted Average Maturity with Weighted Average Life

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

Subject to the above, the aggregate value of the Sub-Fund's investment in entities within the same group through instruments and deposits will not exceed 20% of its NAV.

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

Sale and Repurchase Transactions, Reverse Repurchase Transactions and Borrowing

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

The Sub-Fund may enter into sale and repurchase transactions for up to 10% of its NAV but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its NAV.

The Sub-Fund may engage in reverse repurchase transactions (i.e., a transaction whereby the Sub-Fund purchases securities from a counterparty of sale and repurchase transactions and agrees to sell such securities back at a pre-determined price in the future) provided that the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the NAV of the Sub-Fund.

Currently, the Sub-Fund does not intend to engage in securities lending transactions.

Other Investments

The Sub-Fund may invest up to 10% of its NAV in money market funds authorised in Hong Kong by the SFC under Chapter 8.2 of the Code on Unit Trusts and Mutual Funds or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

The Sub-Fund may invest up to 15% of its NAV in asset backed securities, such as mortgage-backed securities. Such asset backed securities will be issued in regions such as Mainland China, Hong Kong, Singapore or the United States, and will be rated investment grade or above.

The Sub-Fund will enter into financial derivative instruments (“**FDIs**”) (including interest rate swaps and currency swaps) for hedging purposes only.

Use of derivatives / Investment in derivatives

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

What are the key risks?

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

1. Investment risk

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

2. Fixed income securities investment risk (including money market instruments)

- Short-term fixed income instruments risk - As the Sub-Fund invests substantially in short-term fixed income instruments with short maturities, the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term fixed income instruments may also increase which in turn may have a negative impact on the NAV of the Sub-Fund. The Sub-Fund's underlying fixed income securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.
- Credit / counterparty risk - The Sub-Fund is exposed to the credit/default risk of issuers of the fixed income securities it invests in.
- Volatility and liquidity risk - The fixed income securities in the Greater China markets (in particular Mainland China and Taiwan) and other emerging 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 fluctuation. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- Interest rate risk - Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Credit rating risk - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- Credit Rating Agency Risk - The credit appraisal system in Mainland China and the rating methodologies employed in 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.
- Downgrading risk - The credit rating of a fixed income instrument or its issuer may subsequently be downgraded. In such case, the Sub-Fund's investment value may be adversely affected. The Manager may or may not be able to dispose of the fixed income instruments that are being downgraded.
- Valuation Risk - Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Sub-Fund.
- Sovereign debt risk - The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

3. Risks associated with bank deposits

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

4. Emerging market risk, Mainland China investment risk and Concentration risk

- The Sub-Fund will invest primarily in HKD-denominated short-term deposits and high-quality money market instruments (which may include fixed income securities). The Sub-Fund may also be concentrated in a particular market or region, including in emerging markets such as Mainland China, which are subject to higher risks (for example, liquidity risk, currency risk, political risk, regulatory risk, legal and taxation risks, settlement risk, custody risk and economic risk) and higher volatility than more developed markets. Some emerging markets securities may be subject to brokerage or stock transfer taxes levied by governments, which would have the effect of increasing the

cost of investment and which may reduce the realised gain or increase the loss on such securities at the time of sale.

- In addition, the Sub-Fund is likely to be more volatile than a broad-based fund that adopts a more diversified strategy and are more susceptible to adverse economic, political, foreign exchange, liquidity, tax, legal or regulatory events affecting the HKD money markets or the market or region in which its investments are focused.
- Investing in Mainland China involves a greater risk of loss than investing in more developed markets due to, amongst other factors, greater political, social, tax, economic, foreign exchange, liquidity and regulatory risks; exchange rate fluctuations and exchange control; less developed settlement system; government interference; the risk of nationalisation and expropriation of assets, and custody risk and high volatility risk.

5. Currency and foreign exchange risks

- Underlying investments of the Sub-Fund may be denominated in currencies other than its base currency. The NAV of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

6. Risks associated with investment in FDIs and hedging

- The Sub-Fund may invest in FDIs for hedging purposes and in adverse situations its use of FDIs may become ineffective and/or cause the Sub-Fund to suffer significant loss. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDI may lead to a high risk of significant loss by the Sub-Fund.

How has the Sub-Fund performed?

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

Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the Shares of the Sub-Fund.

Fee	What you pay		
	Class A (Accumulation), Class C (Accumulation) and Class I (Accumulation)	Class R (Accumulation)	Class M (Accumulation)
Subscription fee[^]	Up to 1% of the total subscription amount	Up to 0.6% of the total subscription amount	Nil
Switching fee[^]	Up to 1%* of the total redemption amount converted	Up to 1%* of the total redemption amount converted	Nil
Redemption fee[^]	Nil		

* The switching fee will be deducted from the redemption proceeds and retained by the Manager. This is payable in addition to the applicable redemption fee (if any).

[^] Investors may be subject to pricing adjustments (including fiscal charges adjustment and swing pricing adjustment) when subscribing, redeeming or converting shares of the Sub-Fund. For details, please refer to the "Adjustment of prices" sub-section under the section headed "VALUATION AND SUSPENSION" in the Prospectus.

Ongoing fees payable by the Sub-Fund

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

Fee	Annual rate (as a % of the Sub-Fund's NAV)				
	Class A (Accumulation) HKD	Class C (Accumulation) HKD	Class I (Accumulation) HKD	Class R (Accumulation) HKD	Class M (Accumulation) HKD
Management fee[^]	0.15% per annum	0.35% per annum	0.05% per annum	0.60% per annum	Nil
Performance fee	Nil				
Custodian fee[^]	Up to 0.01% per annum of the Sub-Fund, subject to a minimum monthly fee of HKD20,000 in respect of the aggregate of Custodian Fee and Administrator Fee after 6 months from the launch of the Sub-Fund				
Administrator Fee[^]	Up to 0.04% per annum of the Sub-Fund, subject to a minimum monthly fee of HKD20,000 in respect of the aggregate of Custodian Fee and Administrator Fee after 6 months from the launch of the Sub-Fund				

Other fees

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

[^] Please note that some fees may be increased up to a permitted maximum amount by providing one month's prior notice to Shareholders. Please refer to the section headed "Fees and Expenses" in the Prospectus for further details of the fees and charges payable and the permitted maximum of such fee allowed, as well as other ongoing expenses that may be borne by the Sub-Fund.

Additional information

- You generally buy and redeem Shares at the Sub-Fund's next-determined NAV after the Custodian receives your request, directly or via a distributor, in good order on or before 11:30 a.m. (Hong Kong time), being the Sub-Fund's dealing cut-off time on each dealing day of the Sub-Fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).
- The NAV of the Sub-Fund is calculated and the price of Shares published each business day on the website www.cmbi.com.hk (this website has not been reviewed by the SFC).
- You may obtain information on the distributor(s) in respect of the Sub-Fund by contacting the Manager at 3900 0888.
- You may obtain the past performance information of other classes (when available) offered to Hong Kong investors on the website www.cmbi.com.hk (this website has not been reviewed by the SFC).
- SFC registration and authorization do not represent a recommendation or endorsement of an OFC nor do they guarantee the commercial merits of an OFC or its performance. They do not mean the OFC is suitable for all investors nor do they represent an endorsement of its suitability for any particular investor or class of investors.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.