

**Ping An Nasdaq AI and Robotics ETF**  
a sub-fund of the Ping An of China Trust  
(Stock Code: 3023)

April 2021

***This is a passive exchange traded fund.***

***This statement provides you with key information about this product. This statement is a part of the offering documents and must be read in conjunction with the Prospectus.***

***You should not invest in this product based on this statement alone.***

**Quick facts**

<b>Stock code:</b>	3023	<b>Trading lot size:</b>	100 units
<b>Fund Manager:</b>	Ping An of China Asset Management (Hong Kong) Company Limited	<b>Underlying index:</b>	Nasdaq CTA Artificial Intelligence and Robotics Index
<b>Trustee:</b>	HSBC Institutional Trust Services (Asia) Limited	<b>Base currency:</b>	US Dollars (US\$)
<b>Ongoing charges over a year*:</b>	0.81%	<b>Trading currency:</b>	Hong Kong Dollars (HK\$)
<b>Tracking difference of the last calendar year<sup>†</sup></b>	-1.35%	<b>Exchange listing:</b>	SEHK – Main Board
<b>Financial year end of this fund:</b>	31 December	<b>Dividend policy:</b>	Semi-annually at the discretion of the Manager, usually in June and December. All Units will receive distributions in the base currency (US\$) only.
<b>ETF website:</b>	<a href="http://asset.pingan.com.hk/eng/3023">http://asset.pingan.com.hk/eng/3023</a> (This website is not reviewed by the SFC.)		

**What is this product?**

Ping An Nasdaq AI and Robotics ETF (“**AI and Robotics ETF**”) is a sub-fund of the Ping An of China Trust, which is an umbrella unit trust established under Hong Kong law. The AI and Robotics ETF is a passively managed index tracking exchange traded fund under Chapter 8.6 of the SFC Code on Unit Trusts and Mutual Funds. It is listed on The Stock Exchange of Hong Kong Limited (“**the SEHK**”). The Units are traded on the SEHK like listed stocks.

**Objective and Investment Strategy**

**Objective**

The AI and Robotics ETF’s investment objective is to provide investment results that, before fees and expenses, closely correspond to the performance of the Nasdaq CTA Artificial Intelligence and Robotics Index (the “**Underlying Index**”).

**Investment Strategy**

In order to achieve the investment objective, the AI and Robotics ETF intends to primarily adopt a full replication

\* The ongoing charges figure is based on actual expenses in audited financial statements, excluding transactional costs for the year ended 31 December 2019. This figure may vary from year to year.

† This is an actual tracking difference of the last calendar year ended 31 December 2019. Investors should refer to the ETF website for more up to date information on actual tracking difference.

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strategy to track the performance of the Underlying Index. The AI and Robotics ETF will directly invest in substantially all of the securities that are included in the Underlying Index, which will be listed and/or traded on index-eligible global stock exchanges and may include common stocks, ordinary shares, depositary receipts (both American and Global), depositary shares, shares of beneficial interest or limited partnership interests and tracking stocks.

Where it is not possible to acquire certain underlying securities which are constituents of the Underlying Index due to restrictions or limited availability, the AI and Robotics ETF may also pursue a representative sampling strategy by investing in a portfolio featuring high correlation with the Underlying Index, pursuant to which the AI and Robotics ETF may or may not hold all the constituents of the Underlying Index and may overweight certain underlying securities relative to the relevant securities' weighting in the Underlying Index. The AI and Robotics ETF may invest in securities not included as constituents of the Underlying Index as the Manager considers appropriate, provided that the sample closely reflects the overall characteristics of the Underlying Index which the Manager believes will help the AI and Robotics ETF achieve its investment objective.

There is no current intention for the AI and Robotics ETF to (i) invest in any financial derivatives (including structured products or instruments) for hedging or non-hedging (i.e. investment) purposes, (ii) invest in structured products or instruments, structured deposits, asset backed securities, asset backed commercial papers and mortgage backed securities, or (iii) enter into securities lending, sale and repurchase transactions, reverse repurchase transactions or other similar over-the-counter (“OTC”) transactions, but this may change in light of market circumstances and where the AI and Robotics ETF does engage in these types of transactions, prior approval shall be obtained from the SFC (if required) and no less than one month's prior notice will be given to the Unitholders.

The Manager may switch between the replication strategy and the representative sampling strategy without prior notice to investors, in its absolute discretion, and as often as it believes is appropriate in order to achieve the investment objective of the AI and Robotics ETF by tracking the Underlying Index as closely as possible to the benefit of investors.

### **The Underlying Index (Bloomberg Ticker: NQROBON)**

The Underlying Index, launched on 18 December 2017, is a modified equal weighted index designed to track the performance of companies engaged in the artificial intelligence and robotics segment of the technology, industrial, medical and other economic sectors listed and/or traded on index-eligible global stock exchanges. The Underlying Index includes companies in artificial intelligence or robotics that are classified as either enablers, engagers or enhancers, as set out in the index methodology. A modified equal weighted index means that constituents within each category (i.e. enablers, engagers or enhancers) will have the same weighting at each rebalancing. The Underlying Index is calculated and denominated in USD.

The Underlying Index is a net total return index. A net total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested on the ex-date based on the securities incorporation withholding rate.

The Underlying Index is compiled and managed by Nasdaq, Inc. (the “**Index Provider**”). For more information, please refer to the section “The Underlying Index” of the Prospectus. The Manager and its Connected Persons are independent of the Index Provider.

The Underlying Index had a base level of 1,000 on 18 December 2017. As at 31 March 2021, the Underlying Index had a total free-float market capitalisation of USD967.96 million comprising 109 constituents.

For details of the constituent list, their respective weightings and other information about the Underlying Index, please refer to the website of the Index Provider at <https://indexes.nasdaqomx.com/Index/Overview/NQROBO> (this website has not been reviewed by the SFC).

### **Use of derivatives / Investment in derivatives**

The AI and Robotics ETF will not use derivatives for any purposes.

### **What are the key risks?**

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

### **Artificial intelligence and robotics segments related risk**

- Many of the companies in the technologies sectors, especially in the artificial intelligence and robotics segments, have a relatively short operating history. Such companies are at a preliminary stage of development with small business scales, which may create higher uncertainty and more fluctuations in their performances. Companies in these sectors may have limited product lines, markets, financial resources or personnel. These companies typically engage in significant amounts of spending on research and development, and there is no guarantee that the products or services produced by these companies will be successful. These companies also face intense competition which may have an adverse effect on profit margins. Investment in such companies may therefore be more volatile.

### **Investment risk**

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

### **Modified equal weighted index risk**

- The Underlying Index is a modified equal weighted index whereby constituents within specified categories, will have the same weighting at each rebalancing, regardless of its size or market capitalisation, based on the methodology of the Underlying Index. The AI and Robotics ETF will therefore be subject to the higher risks of the companies in the specified categories than a market capitalisation index. The AI and Robotics ETF by tracking the Underlying Index may also have relatively large holdings in companies with smaller market capitalisation than it would have held if tracking a capitalisation weighted index, leading to higher risks and potential underperformance.

### **Market concentration risk**

- The AI and Robotics ETF is subject to concentration risk as a result of tracking the performance of securities related to the artificial intelligence and robotics segment of the technology, industrial, medical and other economic sectors. The AI and Robotics ETF will likely be more volatile than a broadly-based fund such as a global or regional fund as it is more susceptible to fluctuations in value resulting from adverse conditions in that single region.

### **Risk associated with small/mid-capitalisation companies**

- The stock of small/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.

### **Risks associated with depositary receipts**

- Exposure to depositary receipts including American Depositary Receipts (ADRs) may generate additional risks compared to a direct exposure to the corresponding underlying stocks, in particular, the risk of non-segregation under applicable law of the depositary bank who hold the underlying stock as collateral and its own assets. Bankruptcy events in respect of the depositary banks issuing the depositary receipts may negatively affect the performance and/or the liquidity of the AI and Robotics ETF.
- There are fees related to depositary receipts, which may impact the performance of the depositary receipts. Also, holders of depositary receipts are not direct shareholders of the underlying company and generally do not have voting and other shareholder rights as shareholders do. The AI and Robotics ETF may also be subject to liquidity risk as depositary receipts are often less liquid than the corresponding underlying stocks.

### **Equity market risk**

- The AI and Robotics ETF's investment in equities 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.

### **Currency risk**

- Underlying investments of the AI and Robotics ETF may be denominated in currencies other than the base currency of the AI and Robotics ETF. The NAV of the AI and Robotics ETF may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

**Distribution risk**

- Dividend distributions are not guaranteed and are subject to the discretion of the Manager. Therefore, investors may not receive any dividends from the AI and Robotics ETF, notwithstanding that the AI and Robotics ETF may receive dividend income from the securities it holds.

**Passive investment risk**

- The AI and Robotics ETF is passively managed and the Manager will not have the discretion to adapt to market changes due to the inherent investment nature of the AI and Robotics ETF. Falls in the Underlying Index are expected to result in corresponding falls in the value of the AI and Robotics ETF.

**Trading risk**

- The trading price of the units on the SEHK is driven by market factors such as the demand and supply of the units. Therefore, the units may trade at a substantial premium or discount to the NAV.
- As investors will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell units on the SEHK, investors may pay more than the NAV per unit when buying units on the SEHK, and may receive less than the NAV per unit when selling units on the SEHK.

**Tracking error risk**

- The AI and Robotics ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index

**Trading differences risks**

- As the stock exchanges in which the AI and Robotics ETF invests may be open when units in the AI and Robotics ETF are not priced, the value of the securities in the AI and Robotics ETF's portfolio may change on days when investors will not be able to purchase or sell the AI and Robotics ETF's units. Differences in trading hours between the stock exchanges in which the AI and Robotics ETF invests and the SEHK may also increase the level of premium or discount of the unit price to its NAV.

**Termination risk**

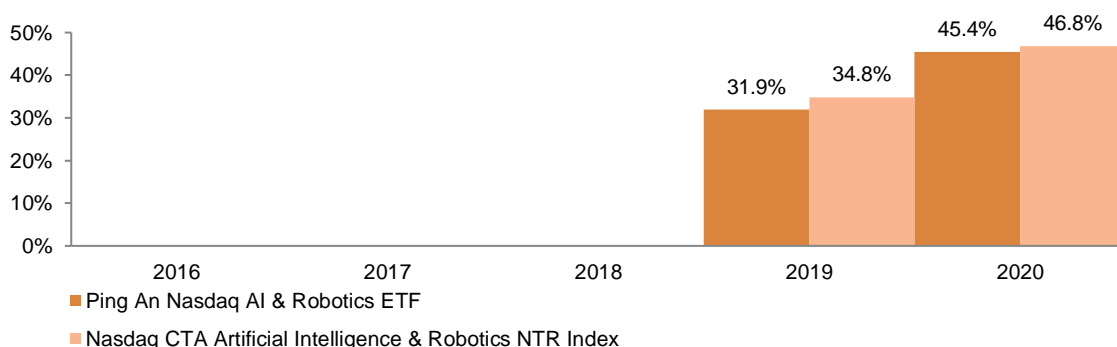
- The AI and Robotics ETF may be terminated early under certain circumstances, for example, where the Underlying Index is no longer available for benchmarking or if the size of the AI and Robotics ETF falls below HK\$200,000,000. Investors may not be able to recover their investments and suffer a loss when the AI and Robotics ETF is terminated.

**Reliance on market maker risks**

- Although the Manager will use its best endeavours to put in place arrangements so that at least one market maker will maintain a market for the units and that at least one market maker gives not less than 3 months' notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the units may be adversely affected if there is no or only one market maker for the units. There is also no guarantee that any market making activity will be effective.

**How has the fund performed?**

Fund Performance vs Underlying Index Performance



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- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the AI and Robotics ETF increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The underlying index of the AI and Robotics ETF is Nasdaq CTA Artificial Intelligence and Robotics Index.
- AI and Robotics ETF launch date: 4 December 2018

### Is there any guarantee?

The AI and Robotics ETF does not provide any guarantees. You may not get back the amount of money you invest.

### What are the fees and charges?

Please refer to Schedule 1 of the Prospectus for details of other fees and expenses applicable to the creation or redemption, or dealing in the Units of the AI and Robotics ETF.

### Charges incurred when trading the AI and Robotics ETF on SEHK

Fee	What you pay
Brokerage fee	At each broker's discretion
Transaction levy	0.0027% of the trading price of the Units <sup>1</sup>
Trading fee	0.005% of the trading price of the Units <sup>2</sup>
Stamp duty	Nil

1. Transaction levy of 0.0027% of the price of the Units, payable by each of the buyer and the seller.

2. Trading fee of 0.005% of the price of the Units, payable by each of the buyer and the seller.

### Ongoing fees payable by the fund

The following expenses will be paid out of the AI and Robotics ETF. They affect you because they reduce the NAV which may affect the trading price.

	Annual rate (as a % of the Sub-Fund's NAV)
Management fee*	Currently 0.55% per annum, up to a maximum of 2% per annum.
Trustee fee*	Currently 0.09% per annum for the first HK\$800 million; 0.08% per annum for the next HK\$800 million and 0.07% per annum for the remaining balance of the fund's NAV, subject to a monthly minimum of HK\$37,000 and up to a maximum of 1% per annum.
Administration fee	None
Performance fee	None
Other ongoing costs	Please refer to Schedule 1 of the Prospectus for details of the ongoing costs payable by the AI and Robotics ETF.

\* Please note that some fees may be increased up to a permitted maximum amount by providing 3 months' prior notice (or such shorter period approved by the SFC) to Unitholders. Please refer to the section on "Fees and Charges" in the Prospectus.

### Additional Information

You can find the following information of the AI and Robotics ETF on the Manager's website (<http://asset.pingan.com.hk/eng/3023>):

- The last published prospectus and its product key facts statement;
- Latest annual and semi-annual financial reports of the AI and Robotics ETF in English;
- Any public announcements and notices made by the AI and Robotics ETF, including information in relation to

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the AI and Robotics ETF and the Underlying Index, notices of the suspension of calculation of NAV, changes in fees and charges, the suspension and resumption of trading of Units;

- Any notices relating to material changes to the AI and Robotics ETF which may have an impact on its investors such as material alterations or additions to the offering documents or the constitutive documents of the AI and Robotics ETF;
- Latest list of Participating Dealers and Market Makers;
- Full portfolio information of the AI and Robotics ETF (updated on a daily basis);
- The last NAV and NAV per Unit of the AI and Robotics ETF in US\$ and HK\$;
- Near real-time indicative NAV per Unit of the AI and Robotics ETF updated every 15 seconds throughout each Dealing Day in US\$ and HK\$;
- The ongoing charges figure and the past performance information of the AI and Robotics ETF; and
- The annual tracking difference and tracking error of the AI and Robotics ETF.

Note: Investors should note that the aforesaid website has not been reviewed by the SFC.

### **Important**

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

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