

ICBC CICC USD Money Market ETF Listed on the SEHK
The ETF provides a high-quality and cost-efficient way for cash management

18 June 2019, Hong Kong –China International Capital Corporation Hong Kong Asset Management Limited (the “Manager”), a wholly-owned subsidiary of China International Capital Corporation Limited (“CICC”), announced today the launch of ICBC CICC USD Money Market ETF (the “ETF”). ICBC Asset Management (Global) Company Limited, a wholly-owned subsidiary of Industrial Commercial Bank of China (Asia) Limited and the overseas asset management arm of the ICBC Group (“ICBC”), has been appointed as Investment Adviser of the ETF. Units of the ETF began trading on the Stock Exchange of Hong Kong under the ticker number 9011 for USD counter and 3011 for HKD counter. The ETF will be promoted via the extensive network within ICBC and its affiliates.

The ETF’s objective is to invest in short-term deposits and high quality money market instruments. The ETF seeks to achieve a return in US Dollars in line with prevailing money market rates, with primary considerations of both capital preservation and liquidity. It is the first “active ETF”, or actively managed exchange-traded fund, in the Hong Kong market.

This ETF can be easily accessed via primary market creation/redemption process as well as secondary market trading. With all-in-fee capped at 0.245% per annum in a single management fee structure¹, it is the lowest Total Expense Ratio (TER) money market ETF in the Hong Kong market². It is also the first ETF in Hong Kong to adopt T+0 settlement³ cycle for primary market transactions. Investors in the primary market can expect to enjoy the interest accruals on T+0, and receive the proceeds in redemption on T+0 also. The ETF is expected to achieve around 2.60% prospective annualized yield before fees⁴. The ETF has already attracted over 120 million USD initial investments from institutional investors, making it the largest ETF launch in the past five years in Hong Kong⁵. The Manager expects strong additional capital flows amid the search for returns with high-quality cash management tool.

“We are excited to partner with ICBC Asset Management (Global) Company Limited and launch the ICBC CICC USD Money Market ETF in Hong Kong,” said Lin Ning, Managing Director of China International Capital Corporation Hong Kong Asset Management Limited. “We put investors’ interest at the highest consideration in designing the product. We are convinced this is the

right tool for both retail and institutional investors who are looking for high-quality and cost-efficient cash management.”

“This product is well suited to meet the US Dollar liquidity management needs of our potential customers,” said Yang Fan, Chief Executive Officer of ICBC Asset Management (Global) Company Limited. “With the flexible investment strategy and efficient operation mode, this ETF product will provide optimized investment choices and enhanced service model in order to better serve the individual investors in addition to the institutional investors, which are also consistent with the inclusive finance strategy that ICBC continues to promote.”

The launch of the ETF marks another milestone for China International Capital Corporation Hong Kong Asset Management Limited which provides a wide range of asset management products and services for overseas clients. It is the third ETF under its unit trust CICC ETF Series. The other Hong Kong listed ETFs under the CICC ETF Series are CICC CSI Select 100 ETF, a China A-shares ETF under the ticker number 3093 for HKD counter and 83093 for RMB counter, and CICC Bloomberg Barclays China Treasury 1-10 Years ETF, a China government bond ETF under the ticker number 3079 for HKD counter and 83079 for RMB counter.

The ETF will serve as an important component of the liquidity management product line offered by ICBC Asset Management (Global) Company Limited which consists of a number of US Dollar and Hong Kong Dollar money market funds and short duration fixed income funds, and is suitable for basic investment and asset allocation requirements from the potential customers in today’s volatile market.

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About China International Capital Corporation (“CICC”):

CICC is China’s first joint-venture investment bank and a pioneer in international best practices in China. Since CICC's inception in 1995, our commitment has been to provide high quality, value-added financial services to our clients. We have established full-service business model offering investment banking, equities, FICC, investment management and wealth management services – all based on our solid research coverage. Our headquarters is in Beijing and we have subsidiaries throughout mainland China, company branches in Shanghai, Shenzhen, Xiamen, Chengdu and other cities, and more than 200 securities branches in 28 provinces and municipalities nationwide. We are also active overseas with branches in Hong Kong, New York, Singapore, London, San Francisco, and most recently, Frankfurt. In 2015, CICC listed on the main board of the Hong Kong Stock Exchange.

About ICBC Asset Management (Global) Company Limited (“ICBC Asset Management (Global)”):

ICBC Asset Management (Global) is the overseas asset management business center and is positioned as the investment research center, product development center, distribution center and risk management center of Industrial Commercial Bank of China Limited. Professional teams specialize in money market, fixed income, equity and alternative investment with extensive investment experience and global mindset have achieved outstanding track records. Through the strong network and extensive resources of ICBC, ICBC Asset Management (Global) will continue to introduce the “China Story”, “China Opportunity” and “China Solution” and deliver high-quality asset management products and services to global investors.

Notes:

1. As the ETF is newly set up, this figure is a best estimate only and represents the sum of the estimated ongoing charges expressed as a percentage of the estimated average net asset value. It may be different upon actual operation and may vary from year to year. As the ETF adopts a single management fee structure, the estimated ongoing charges of the ETF will be equal to the amount of the single management fee which is capped at a maximum of 0.245% of the average net asset value of the ETF. The excess of the expenses over such cap will be borne by the Manager.
2. Sources: Bloomberg, as of 18 June 2019.
3. “T” means any day on which dealing takes place. The “T+0” settlement cycle is only applicable in the primary market and is subject to timing deadlines and other client acceptance procedures and requirements which may be imposed by the relevant participating dealer. Investors are advised to check with the relevant participating dealer in respect of the aforementioned information. For further details, investors should refer to the offering documents of the ETF.
4. Daily annualized yield is calculated with the following formula: (the ETF’s daily income) / (net asset value) X 365 days X 100%. Holdings are subjected to changes over time. The prospective daily annualized yield is a forecast only and may not be achieved. A positive yield does not imply a positive return.
5. Sources: The Stock Exchange of Hong Kong and Bloomberg, as of 18 June 2019.

Important notice: Carefully consider the ETF’s investment objectives, risk factors, charges and expenses before investing. The information contained herein and additional information can be found in the ETF’s Prospectus and Product Key Facts Statement (together, the “Offering Documents”), which may be obtained by visiting www.cicc.com. You should not make any investment decision based on the information in this press release alone. Read the Offering Documents carefully before investing. The Offering Documents should be read for further details including the risk factors.

Nothing contained in this press release constitutes investment advice or should be relied on as such. This press release has not been reviewed by the Securities and Futures Commission of Hong Kong (SFC). The ETF has been authorised as

collective investment schemes by the SFC. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Investing involves risk, including possible loss of principal. There can be no assurance that the ETF will achieve its stated objectives.

The purchase of a unit in the ETF is not the same as placing funds on deposit with a bank or deposit-taking company. The ETF does not guarantee principal and the Manager has no obligation to redeem the units at the offer value. The ETF does not have a constant net asset value. The ETF is not subject to the supervision of the Hong Kong Monetary Authority.

The ETF is subject to active ETF risk which the Manager employs an actively managed investment strategy for the ETF. The ETF does not seek to track any index or benchmark, and there is no replication or representative sampling conducted by the Manager. It may fail to meet its objective as a result of the Manager's selection of investments, and/or the implementation of processes which may cause the ETF to underperform as compared to prevailing money market rates or other money market funds with a similar objective.

The Manager may, at its discretion, pay dividends out of capital or effectively out of capital. Payment of dividends out of capital or effectively out of the capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per unit of the ETF.

Although the information provided in this press release has been obtained from sources which the Manager believes to be reliable, it does not guarantee accuracy of such information and such information may be incomplete or condensed.

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