



## PRODUCT KEY FACTS STATEMENT

ICBC Credit Suisse Renminbi Series  
ICBC Credit Suisse RMB Cash Fund

April 2023

- ***This statement provides you with key information about ICBC Credit Suisse RMB Cash Fund (the “Sub-Fund”).***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of ICBC Credit Suisse Renminbi Series.***
- ***You should not invest in this product based on this statement alone.***

### Quick facts

<b>Manager and QFI Holder:</b>	ICBC Credit Suisse Asset Management (International) Company Limited
<b>Trustee:</b>	HSBC Institutional Trust Services (Asia) Limited
<b>Custodian:</b>	The Hongkong and Shanghai Banking Corporation Limited
<b>PRC Custodian:</b>	HSBC Bank (China) Company Limited
<b>Ongoing charges over a year:</b>	Class A Units: 0.67% <sup>1&amp;2</sup> Class R Units: 0.67% <sup>1</sup>
<b>Dealing frequency:</b>	Daily
<b>Base currency:</b>	RMB
<b>Dividend policy:</b>	<p>It is currently intended that dividends will be declared out of all net income (the income net of expenses) of the Sub-Fund on each Dealing Day. Dividends declared (if any) will be accrued on each Dealing Day and will be applied on a monthly basis to re-invest in the Sub-Fund to subscribe for additional units.</p> <p>However, distributions may be paid out of the capital of the Sub-Fund. At the Manager’s discretion, dividends may be paid out of gross income and all or part of the fees and expenses may be charged to capital, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, dividends may be paid effectively out of capital. Any such distributions may result in an immediate reduction of the Net Asset Value per unit of the Sub-Fund.</p>
<b>Financial year end of this fund:</b>	31 December
<b>Minimum investment:</b>	Class A Units: RMB1 initial, RMB1 for additional Class R Units: RMB1 initial, RMB1 for additional
<b>Minimum holding:</b>	Class A Units: Units with aggregate minimum value of RMB1 Class R Units: Units with aggregate minimum value of RMB1

**Minimum redemption:**

Class A Units: Units with aggregate minimum value of RMB1

Class R Units: Units with aggregate minimum value of RMB1

Note 1: The revised ongoing charges figure is based on the expenses for the period from 1 January 2022 to 31 December 2022. This figure may vary from year to year.

Note 2: As Class A Units has not yet launched, the ongoing charges figure for this Class of Units is the Manager's best estimate of the expenses and the average Net Asset Value of the Class of Units over a 12 months period based on information available on another Class of Units already launched with a similar fee structure. The actual figure may be different from the estimate.

## What is this product?

ICBC Credit Suisse RMB Cash Fund (the "**Sub-Fund**") is a sub-fund of ICBC Credit Suisse Renminbi Series (the "**Fund**") which is a Hong Kong domiciled umbrella structure unit trust established by a trust deed dated 16 September 2014 and is governed by the laws of Hong Kong.

The Sub-Fund may invest in RMB denominated and settled short term debt instruments issued within the PRC through the QFI status of the Manager, direct investments in the mainland China interbank bond markets ("**China Interbank Bond Market**") and/or other means as may be permitted by the applicable laws and regulations from time to time for the purpose of direct investment into the PRC. The Sub-Fund is denominated in RMB. Subscription moneys and redemption proceeds must be paid in RMB.

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

## Objectives and Investment Strategy

### Objectives

The investment objective of the Sub-Fund is to provide investors with daily liquidity together with a higher investment return comparable to normal RMB denominated money market interest rates.

### Strategy

The Sub-Fund seeks to achieve its investment objective by investing in RMB denominated and settled short term debt instruments, and RMB denominated cash and cash equivalents.

The Sub-Fund may invest up to 100% of its Net Asset Value in RMB denominated and settled short term debt instruments issued or distributed within mainland China by Chinese government (including state, provincial and local governments), quasi-government organizations (including policy banks), banks, financial institutions and other corporation which are traded on the China Interbank Bond Market and/or the exchange traded bond markets in mainland China, through the QFI status of the Manager, direct investments in the China Interbank Bond Market and/or other means as may be permitted by the applicable laws and regulations from time to time.

The Sub-Fund may also invest up to 60% of its Net Asset Value in RMB denominated and settled short term debt instruments and/or RMB denominated cash and cash equivalents issued outside mainland China.

### Credit rating

In respect of instruments issued and distributed within mainland China, the Sub-Fund will only invest in those short term debt instruments issued and distributed within mainland China, provided that either the instruments themselves or the issuers of such instruments carry a short

term credit rating of A-1 or above or long term rating of AAA or above as rated by a PRC local credit rating agency.

For those instruments issued and distributed outside mainland China that the Sub-Fund may invest in, the instruments themselves or the issuers of such instruments should carry a short term credit rating of A-2 or above (or its equivalent), or long term credit rating of BBB or above (or its equivalent) as rated by an international credit rating agency.

#### Average portfolio maturity

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days.

### **Use of derivatives**

The Sub-Fund will not use derivatives for any purposes.

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

**Investment involves risks. Please refer to the offering document for details including the risk factors.**

#### **Investment Risk**

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

#### **Risks Relating to Short Term Debt Instruments**

- Credit / counterparty risk - The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities it invests in.
- Risk relating to PRC local credit rating – The local PRC credit rating process may lack transparency and the credit rating criteria and methodology used by Chinese local rating agencies may be different from those adopted by most of the established international credit rating agencies, and may not provide an equivalent standard for comparison with securities rated by international credit rating agencies.
- Interest rate risk – Investment in the Sub-Fund is subject to interest rate risk. Generally, 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 such case, the Sub-Fund's investment value may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- Volatility and liquidity risk - The RMB denominated debt instruments market 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. The bid and offer spread of the prices of such securities may be large and the Sub-Fund may incur significant trading and realisation costs.
- "Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks – The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the NAV of the Sub-Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

### **Risk Relating to Investing in a Single Market / the China Market**

- The Sub-Fund may at times invest primarily in short term debt instruments in the China market and may be subject to additional concentration risk. Investment in the China market is subject to emerging market risk including political, economic, foreign exchange, legal, regulatory and liquidity risks. The Sub-Fund may also be subject to the risks associated with changes in the PRC laws and regulations (including PRC tax laws and regulations), and such changes may have retrospective effect and may adversely affect the Sub-Fund.
- The PRC may impose limitations or restrictions on foreign ownership or holdings, which may have adverse effects on the liquidity and performance of the Sub-Fund.

### **PRC Tax Risk**

- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised by QFIs or the China Interbank Bond Market on the Sub-Fund's investments in the PRC (which may have retrospective effect).
- Base on professional and independent tax advice, the Sub-Fund will not make any tax provisions in respect of PRC withholding income tax ("WIT") on the gross realised and unrealised capital gains derived from the trading of PRC debt securities. The Sub-Fund will also not make any tax provisions in respect of WIT or PRC value added tax ("VAT") on interests accrued from the trading of PRC debt instruments if such PRC debt securities would be disposed prior to any coupon payment date.
- In case the Sub-Fund would hold the PRC debt securities until the coupon payment date, the Sub-Fund will (i) provide for under-withheld WIT on interest received from debt instruments (if any) issued by enterprises incorporated in the PRC if the 10% WIT is not withheld at source; and (ii) provide for VAT at 6%, as well as local surcharges at 12% based on the VAT paid, on interest received from debt instruments (if any) issued by enterprises incorporated in the PRC from 1 May 2016 onwards if the VAT and local surcharges are not withheld at source.
- Any shortfall between the provision and the actual tax liabilities, which will be debited from the Sub-Fund's assets, will adversely affect the net asset value of the Sub-Fund. The actual tax liabilities may be lower than the tax provision made. Depending on the time of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).
- It is possible that the applicable tax laws may be changed and that the PRC tax authorities may hold a different view. Any increased tax liabilities on the Sub-Fund may have an adverse impact to its net asset value. In this case, the tax liabilities will only impact units in issue at the relevant time, and the then existing unitholders and subsequent unitholders will be disadvantaged as such unitholders will bear, through the Sub-Fund, a disproportionately higher amount of tax liabilities as compared to that borne at the time of investment in the Sub-Fund. As a result, investors may be disadvantaged depending on the final rules of the relevant PRC tax authorities and when they subscribed and/or redeemed their units.

### **Risks Relating to QFI**

- The Sub-Fund's ability to make relevant investments or to fully implement or pursue its investment objective and strategy is subject to applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.

- The Sub-Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including QFI custodian / brokers) is bankrupt / in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### **Risks Relating to the China Interbank Bond Market**

- The Sub-Fund may be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value. The relevant rules and regulations on investment in the China Interbank Bond Market are subject to change which may have potential retrospective effect. In the event that the relevant PRC authorities suspend trading on the China Interbank Bond Market, the Sub-Fund's ability to invest in the China Interbank Bond Market will be limited and the Sub-Fund may suffer substantial losses as a result.

#### **Risks Relating to RMB Currency**

- 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 the investor's investment in the Sub-Fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

#### **Risk Relating to Amortised Cost Method**

- The Net Asset Value of the Sub-Fund is calculated using the amortised cost method, which values securities at their cost and thereafter assumes a constant amortisation to maturity of any discount or premium. The accuracy of the amortised cost method of valuation can be lowered by changes in market interest rates and the credit standing of issuers of the Sub-Fund's investments.
- It may result in periods during which the value of the security, as determined by the amortised cost method of valuation, is higher or lower than the price the Sub-Fund would receive if the security was sold. During such periods, the daily fluctuation in value of the units in the Sub-Fund may differ somewhat from an identical computation made by a fund with identical investments utilising available indications as to market value in order to value its portfolio securities. Where the value of a security as determined by the amortised cost method of valuation is higher than the market price of such security and an investor redeems at a redemption price calculated on the basis of such amortised cost value, the Sub-Fund may be left with a portfolio of assets whose value is much lower than the market price of the relevant securities. The remaining unitholders may therefore be worse off.

#### **Counterparty and Settlement Risk**

- Investment in debt instruments are subject to counterparty default risks. Any significant delays in the settlement of transactions or the registration of a transfer may affect the ability to ascertain the value of the Sub-Fund's portfolio and adversely affect the Sub-Fund. Where its counterparty does not perform its obligations under a transaction, the

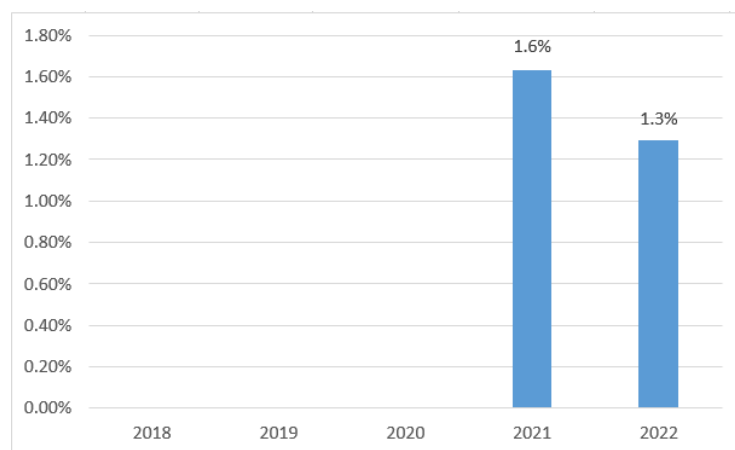
Sub-Fund will sustain losses.

- The Sub-Fund may also be exposed to settlement risks relating to the PRC exchange-traded bond market settled through the China Securities Depository and Clearing Co., Ltd. (“**CSDCCL**”). Although it is the intention of CSDCCL that it will deliver payment or securities to the Sub-Fund (as a delivering participant or a receiving participant respectively), a delay may occur if the counterparty to the Sub-Fund fails to fulfil its payment or delivery obligation.

### **Risks Relating to Distributions out of Capital**

- Investors should note that payment of dividends out of capital or effectively out of capital represents a return or withdrawal of part of the amount originally invested or from any capital gains attributable to the original investment. Any such distributions may result in an immediate reduction of the Net Asset Value per unit of the Sub-Fund.

## **How has the fund performed?**



Class R

- Prior to April 2023, the Manager considered Class A as the representative unit class. Given that Class A has never been launched, starting from April 2023, the Manager views Class R, being a retail unit class denominated in the Fund’s base currency and currently marketed to the public of Hong Kong, as the most appropriate representative unit class for this Sub-Fund’s performance.
- 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 unit class increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB 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.

Fund launch date: 2016.

Class R first launch date: 2018.

## **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 units of the Sub-Fund.

**Fee**

**What you pay**

Subscription Fee  
(Preliminary Charge)  
(% of total subscription amount received  
(i.e. before deducting preliminary charge))

*Maximum level*  
Classes A and R: 1.5%  
  
*Current rate*  
Classes A and R: up to 1.5%

Switching Fee (Switching Charge)  
(% of total amount being switched into)

*Maximum level*  
Classes A and R: Nil  
  
*Current rate*  
Classes A and R: Nil

Redemption Fee (Redemption Charge)  
(% of total redemption proceeds)

*Maximum level*  
Classes A and R: Nil  
  
*Current rate*  
Classes A and R: Nil

**Ongoing fees payable by the Sub-Fund**

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

**Annual rate (as a % of the Sub-Fund's net asset value)**

Management Fee\*

*Maximum level*  
Classes A and R: 0.5% p.a.  
  
*Current rate*  
Classes A and R: 0.4% p.a.

Trustee Fee\*  
(inclusive of fees payable to the  
Custodian and PRC Custodian)

*Maximum level*  
Classes A and R: 2% p.a.  
  
*Current rate*  
Classes A and R: 0.175% for the first RMB 2 billion of the Net Asset Value of the Sub-Fund, 0.155% for the next RMB 6 billion of the Net Asset Value of the Sub-Fund, 0.1325% for the next RMB 6 billion of the Net Asset Value of the Sub-Fund, 0.10% for the next RMB 6 billion of the Net Asset Value of the Sub-Fund, 0.08% for the next RMB 10 billion of the Net Asset Value of the Sub-Fund and 0.06% for the remaining balance of the Net Asset Value of the Sub-Fund, subject to a minimum monthly fee of RMB40,000.

In the interest of the Unitholders, for the period from 1 October 2017 to 30 June 2023, the Manager shall subsidize the Sub-Fund the

difference between the minimum monthly fee of RMB40,000 and the Trustee Fee currently charged at 0.175% for the first RMB 2 billion of Net Asset Value of the Sub-Fund.

Performance Fee

Not applicable

\* the current annual rate may be increased up to maximum level by giving not less than 1 month's prior notice to the investors

### **Other fees**

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Explanatory Memorandum. For details please refer to the section headed "Fees and Expenses" in the Explanatory Memorandum.

### **Additional Information**

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value after the Manager or the authorised distributors receive your request in good order on or before 4:00p.m. (Hong Kong time) on the relevant Dealing Day or the dealing cut-off time set by the authorised distributors.
- The authorised distributor(s) may impose an earlier cut-off time before the dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should confirm the arrangements with the authorised distributor(s) concerned.
- The Net Asset Value of the Sub-Fund is calculated daily and the price of units is published daily on the Manager's website <http://www.icbccs.com.hk>. Please note that the website has not been reviewed by the SFC.
- Investors may obtain the past performance information of other Class(es) (if any) from the Manager's website <http://www.icbccs.com.hk> when it has an investment track record of not less than 6 months. Please note that the website has not been reviewed by the SFC.
- The composition of the distributions (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website <http://www.icbccs.com.hk>. Please note that the 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.

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