PRODUCT KEY FACTS

Bosera SZSE ChiNext Daily (2x) Leveraged Product

A product established under the Bosera Leveraged and Inverse Series

April 2024

Issuer: Bosera Asset Management (International) Co., Limited

- ***This is a leveraged product. It is different from conventional exchange traded funds as it seeks leveraged investment results relative to the Index and only on a Daily basis.***
- ***This product is not intended for holding longer than one day as the performance of this product over a longer period may deviate from and be uncorrelated to the leveraged performance of the Index over the period.***
- ***This product is designed to be used for short term trading or hedging purposes, and is not intended for long term investment.***
- ***This product only targets sophisticated trading-oriented investors who understand the potential consequences of seeking Daily leveraged results and the associated risks and constantly monitor the performance of their holdings on a Daily basis.***

- ***This is a product traded on the exchange.***
- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Prospectus.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Stock code:	7234.HK
Trading lot size:	100 Units
Manager:	Bosera Asset Management (International) Co., Limited
Trustee:	Cititrust Limited
Registrar:	Computershare Hong Kong Investor Services Limited
Ongoing charges over a year[#](annual average daily ongoing charges*):	2.63% (0.0072%)
Estimated annual average daily tracking difference[##]:	-0.01%
Underlying Index:	ChiNext Index (HKD)(CNH) (“**Index**”)
Trading currency:	Hong Kong dollars (HKD)

[#] The ongoing charges figure represents the sum of the ongoing expenses chargeable to the Product expressed as a percentage of the Product's NAV for the period from 1 January 2023 to 31 December 2023. This figure may vary from year to year. It does not include the swap fees. From 15 May 2023, the ongoing charges figure for Product is capped at a maximum of 3% of the average net asset value for Product. Any excess of ongoing expenses of the Product will be borne by the Manager and will not be charged to the Product if such expense would result in the ongoing charges figure exceeding 3%.

* The annual average daily ongoing charges figure is equal to the ongoing charges figure over the period divided by the number of dealing days during the same period. The figure may vary from year to year.

[##] This is an estimated annual average daily tracking difference. Investors should refer to the Product’s website for information on the actual daily tracking difference and actual average daily tracking difference.

Base currency:	Hong Kong dollars (HKD)
Dividend policy:	The Manager may, subject to its discretion, distribute income to Unitholders annually (in December) having regard to the Product's net income after fees and costs. Further, the Manager may, at its discretion, pay distributions out of capital or out of gross income while all or part of the fees and expenses are charged to capital, resulting in an increase in distributable income for the payment of distributions and therefore, distributions may be paid effectively out of capital. **All Units will receive distributions in the base currency (HKD) only.**
Financial year end of this fund:	31 December
ETF Website:	www.bosera.com.hk/en/products/funddetail/LI/overview?fundCode=ChiNextLI

What is this product?

Bosera SZSE ChiNext Daily (2x) Leveraged Product (the "**Product**") is a product of Bosera Leveraged and Inverse Series, an umbrella unit trust established under Hong Kong law. Units of the Product (the "**Units**") are traded in HKD on The Stock Exchange of Hong Kong Limited (the "**SEHK**") like stocks. It is a swap-based product with an investment objective to provide Daily investment results, before fees and expenses, which closely correspond to twice (2x) the Daily performance of the Index. It is denominated in HKD. Creations and redemptions are in HKD only.

Objective and Investment Strategy

Objective

The investment objective of the Product is to provide investment results that, before fees and expenses, closely correspond to twice (2x) the Daily performance of the Index. **The Product does not seek to achieve its stated investment objective over a period of time greater than one day.**

"**Daily**" in relation to the leveraged performance of the Index or the performance of the Product, means the leveraged performance of the Index or the performance of the Product (as the case may be) from the close of market of a given Business Day until the close of the market on the subsequent Business Day.

Strategy

The Manager intends to adopt a Swap-based synthetic replication strategy to achieve the investment objective of the Product, through entering into one or more partially-funded Swaps (which are over-the-counter FDIs entered into with more than one Swap Counterparty) whereby the Product will provide a portion of the net proceeds from subscription from the issue of the Units as initial margin ("**Initial Amount**") to the Swap Counterparties which will be held by the custodian appointed by the Trustee in a segregated account and will only be transferred to the Swap Counterparties when the Product defaults and in return the Swap Counterparties will provide the Product with an exposure to the Index (net of transaction costs).

No more than 65% of the Net Asset Value ("**NAV**") of the Product from time to time will be used as Initial Amount by way of pure cash to acquire the Swaps. Under exceptional circumstances (e.g. increased Initial Amount requirement by the Swap Counterparty in extreme market turbulence), the Initial Amount requirement may increase substantially. The Initial Amount will be transferred to the Product's custodian appointed by the Trustee who will hold the amount for the Product in a designated account, and the Swap Counterparty will have a security interest over the Initial Amount (and the relevant account) upon such transfer. There is no transfer of legal title, and the Initial Amount remains with the Product, but a security interest will be created thereupon in favour of the Swap Counterparty.

Not less than 25% of the NAV (this percentage may be reduced proportionately under exceptional circumstances where there is a higher Initial Amount requirement, as described above) will be invested in cash (HKD, RMB or USD), cash equivalents, HKD, RMB or USD denominated short term (i.e. maturity less than 3 years) investment grade government bonds. Cash equivalents will include deposits with banks in Hong Kong and SFC authorised money market funds in accordance with the requirements of the Code on Unit Trusts and Mutual Funds (the "**Code**"). Such SFC authorised money market funds may be managed by either a third-party manager or the Manager. The yield from cash and cash equivalents and short term investment grade government bonds will be used to meet the Product's fees and expenses, and the remainder will be distributed to the Unitholders.

No more than 10% of the NAV may be invested in collective investment scheme which may be eligible schemes (as defined by the SFC) or authorised by the SFC, or non-eligible scheme and not authorised by the SFC in accordance with all the applicable requirements of the Code. The above investments may be made through the Manager's status as RQFII. For the avoidance of doubt, the Product's investment in the SFC authorised money market funds mentioned in the preceding paragraph is not subject to this limit. All investments of the Product other than Swaps will comply with 7.36 to 7.38 of the Code.

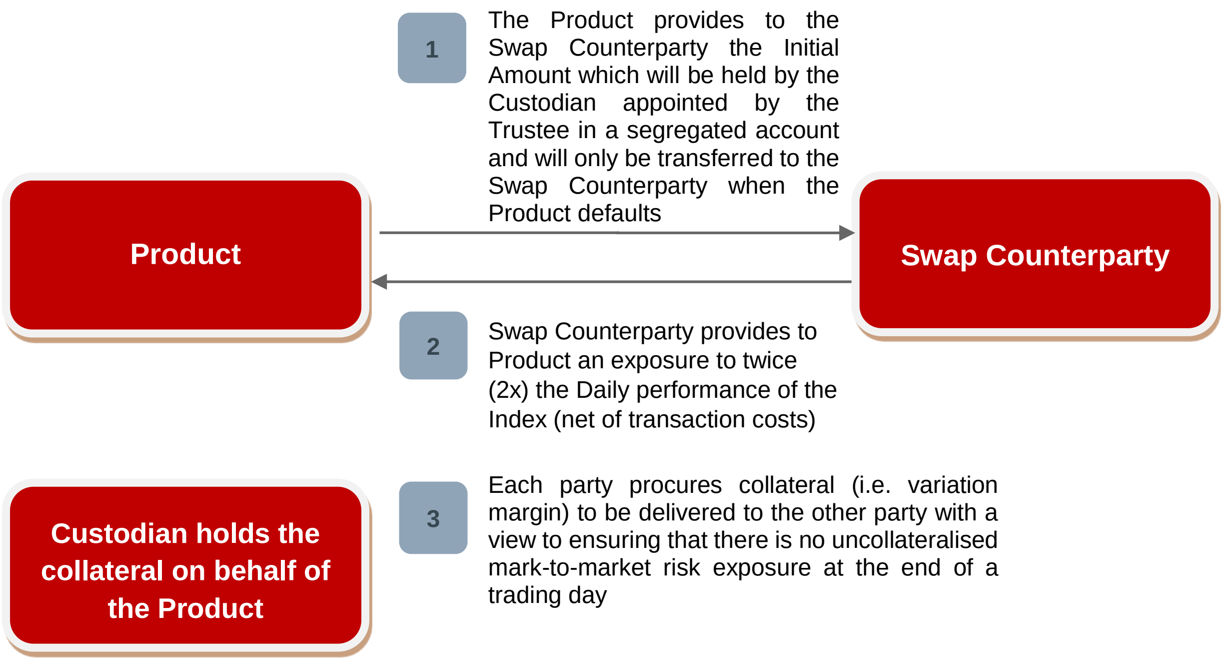
For the avoidance of doubt, government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.

The Product will not enter into securities lending, repurchase, reverse-repurchase transactions or other similar over-the-counter transactions. Other than Swaps, the Manager may invest in financial derivative instruments for hedging purpose, but the Manager has no intention to use any financial derivative instruments for investment purposes.

To collateralise the mark-to-market exposure under the relevant Swap, additional amounts will be transferred as variation margin (either by the Product to the Swap Counterparty or vice versa) on each business day during the Swap transaction. Such variation margin will be transferred by way of title transfer, or by way of a security interest with a right of use (analogous to title transfer) granted thereon. During this process, the Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day (subject to intra-day price movements, market risk and settlement risk etc.). If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets (i.e. variation margin) to make up for the difference in value, with the settlement of such delivery expected to occur on trading day T+1.

Each Swap Counterparty will deliver collateral with a view to reduce the net exposure of the Product to each counterparty to 0% (zero per cent), although a minimum transfer amount of up to HKD 2,000,000 (or currency equivalent) will be applicable.

The diagram below shows how the swap-based synthetic replication investment strategy works:



The Product will be rebalanced Daily, on each day when the Shenzhen Stock Exchange and SEHK are open for trading (i.e. a Business Day), as further described below.

Daily rebalancing

At or around the close of the trading of the Shenzhen Stock Exchange on each Business Day, the Product will seek to rebalance its portfolio, by increasing exposure in response to the Index's Daily gains or reducing exposure in response to the Index's Daily losses, so that its Daily leverage exposure ratio to the Index is consistent with the Product's investment objectives.

Criteria for Selection of Swap Counterparty

In selecting a Swap Counterparty (or a replacement Swap Counterparty), the Manager will have regard to a number of criteria, including but not limited to the fact that the prospective Swap Counterparty or its guarantor is a substantial financial institution (as defined under the Code) subject to an on-going prudential and regulatory supervision, or such other entity acceptable to the SFC under the Code. The Manager may also impose such other selection criteria as it considers appropriate. A Swap Counterparty must be independent of the Manager.

The Manager will publish, inter alia, the latest list of the identity of the Swap Counterpart(ies) of the Product, as well as the Product's gross and net exposure to each such Swap Counterparty, on the Manager's website at www.bosera.com.hk/en/products/funddetail/LI/overview?fundCode=ChiNextLI (which has not been reviewed by the SFC).

Swap Fees

The Product will bear the swap fees, which are subject to the discussion and consensus between the Manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. Currently the total swap fees may range from -5.00% to 0.00% per annum of the Product's NAV. Unitholders should note that this is a best estimate only and the actual swap fees may depend on the actual market conditions and may deviate from the best estimate. Under normal circumstances, no unwinding fees will be charged for unwinding a Swap. In the event of an early termination of the Swap (as described under the section "Swap Transaction" in the Prospectus), a maximum fee for unwinding a Swap which will be 0.30% of the notional amount of the Swap unwound may be charged. During extreme market conditions, the Swap Counterparty's costs of financing the underlying hedge may increase significantly and in return increase the actual swap fees to a level which exceeds the disclosed range, in which case the Manager will issue a notice to notify investors.

The Manager will disclose the swap fees in the annual and semi-annual financial reports of the Product. The swap fees will be borne by the Product and hence may have an adverse impact on the NAV and the performance of the Product, and may result in higher tracking error.

Index

The Index is an adjusted free-float market capitalisation weighted index and is designed to represent the performance of the top 100 A-Share companies listed on the ChiNext board of the Shenzhen Stock Exchange ("**SZSE**") ranked by total market capitalisation, free-float market capitalisation and turnovers. The Index is a price return index which means it does not include the reinvestment of dividends from the index securities.

The Index covers about 52.89% of the total market value with good representatives of the entire ChiNext market as of 31 March 2023.

The Index is calculate and, disseminated in HKD on a real time basis. The Index is denominated and quoted in HKD.

The Index was launched on 26 April 2021. As of 31 March 2023, it had a total market capitalisation of RMB 6,228.905 billion.

The Index is maintained by Shenzhen Securities Information Co., Ltd. (**"SSICL"** or the **"Index Provider"**). The Manager (and each of its Connected Persons) is independent of the Index Provider.

You can obtain the most updated list of the constituents of the Index and their respective weightings (as set out under the "Constituents" section of the webpage relating to the Index on the website of the Index Provider), additional information and important news of the Index from the website of the Index Provider at http://www.cnindex.com.cn/eng/ (the contents of which have not been reviewed by the SFC).

Bloomberg Index Code: SZ988006 / CNI Index Code: 970006

Use of derivatives / investment in derivatives

The Product's net derivative exposure may be more than 100% of the Product's Net Asset Value.

What are the key risks?

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

1. Investment risk

- The Product is a derivative product and is not suitable for all investors. There is no guarantee of the repayment of principal. Therefore your investment in the Product may suffer substantial or total losses.

2. Long term holding risk

- **The Product is not intended for holding longer than one day** as the performance of the Product over a period longer than one day will very likely differ in amount and possibly direction from the leveraged performance of the Index over that same period (e.g. the loss may be more than twice the fall in the Index).
- The effect of compounding becomes more pronounced on the Product's performance as the Index experiences volatility. With higher Index volatility, the deviation of the Product's performance from the leveraged performance of the Index will increase, and the performance of the Product will generally be adversely affected.

- As a result of Daily rebalancing, the Index's volatility and the effects of compounding of each day's return over time, it is even possible that the Product will lose money over time while the Index's performance increases or is flat.

3. Synthetic replication and counterparty risk

- *Under collateralisation risk*: The Manager seeks to mitigate the counterparty risks by fully collateralising all Swap Counterparty exposures. There is a risk that the value of the collateral may be substantially lower than the amount secured and so the Product may suffer significant losses. Any loss would result in a reduction in the NAV of the Product and impair the ability of the Product to achieve its investment objective.
- *Counterparty risk and default risk:* The Product seeks to obtain the required exposure through one or more Swaps with different Swap Counterparties. The Product is therefore exposed to counterparty risk and default risk of the Swap Counterparties and may suffer significant losses if a swap counterparty fails to perform its obligations. Derivative instruments are subject to valuation risk and liquidity risk and are susceptible to price fluctuations and higher volatility, which may result in large bid and offer spreads with no active secondary market. The Product may suffer losses potentially equal to the full value of the derivatives.
- *Intra-day counterparty risk*: The Manager will manage the Product to ensure that the collateral held by the Product will represent at least 100% of the Product's gross total counterparty risk exposure and be maintained, marked-to-market on a daily basis, with a view to ensuring that there is no uncollateralised counterparty risk exposure at the end of a trading day. If the collateral held by the Product is not at least 100% of the Product's gross total counterparty risk exposure in respect of any trading day T, by the end of that trading day T, the Manager will generally require that each Swap Counterparty deliver additional collateral assets to make up for the difference in value, with the settlement of such delivery expected to occur on trading day T+1. Despite the counterparty risk management measures in place, the management of the Product's net exposure to each Swap Counterparty to zero is subject to settlement risks arising from settlement failures and market risks (including price movements prior to the required cash payment by the Swap Counterparty to the Product). Any delay in the cash payment by the Swap Counterparty to the Product prior to the end of the relevant trading day T+1 may cause the Product's exposure to a Swap Counterparty to be larger than zero from time to time. This may result in significant losses for the Product in the event of the insolvency or default of that Swap Counterparty.
- *Daily capacity limits risk:* Swap Counterparties may have daily capacity limits, and in the event that the limits are reached, the Product's ability to adjust the size of the Swaps in order to obtain sufficient exposure to achieve its stated investment objective may be adversely affected which will in turn affect the Product's performance. If the Product is unable to obtain sufficient exposure to the two-times (2x) leveraged performance of the Index because of the limited availability of Swaps linked to the two-times (2x) leveraged performance of the underlying Securities of the Index, or if the Product is unable to adjust the size of the Swaps, the Product could, among other alternatives, as a defensive measure, suspend creations or redemptions until the Manager determines that the requisite Swap exposure is obtainable or until the Manager is able to adjust the size of the Swaps. During the period that creations or redemptions are suspended, the Product could trade at a significant premium or discount to the NAV. To the extent that such events result in a termination event under the Product's Swaps, the risks related to the limited availability of Swaps would be compounded and the Product may be adversely affected.
- *Increase in swap fees risk:* The Product will bear the swap fees, which are subject to the discussion and consensus between the manager and the Swap Counterparty based on the actual market circumstances on a case-by-case basis. The current swap fees are a best estimate only and may deviate from the actual market conditions. During extreme market conditions, a Swap Counterparty's costs of financing the underlying hedge may increase significantly. A Swap Counterparty may in return increase the swap fees which may adversely impact on the Product's performance.
- *Early termination of Swaps risk:* In some circumstances, a Swap may be terminated early under the terms of the relevant agreement which may result in the payment of unwinding fees by the Product and in turn may adversely impact the Product's performance. Such early termination can also impair the Product's ability to achieve its investment objective and may subject the Product to substantial loss. Also, the Product may face an increase in the cost to enter into a similar swap agreement with additional Swap Counterpart(ies).

4. Leveraged performance risk

- The Product will use leverage to achieve a Daily return equivalent to twice (2x) of the return of the Index. Both gains and losses will be magnified. Unitholders could, in certain circumstances including a bear market, face minimal or no returns, or may even suffer a complete loss, on such investments.

5. Risk associated with investing in other funds

- The Product will be subject to another layer of fees, in addition to fees charges by the Product, charged by the management companies of underlying funds. In addition, although the Manager will carefully select and monitor underlying funds, there can be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved which may have a negative impact on the NAV of the Product.

6. Risk of rebalancing activities

- There is no assurance that the Product can rebalance its portfolio on a Daily basis to achieve its investment objective. Market disruption, regulatory restrictions or extreme market volatility may adversely affect the Product's ability to rebalance its portfolio.

7. Liquidity risk

- The rebalancing activities of the Product typically take place at or around the end of a trading day of the underlying A-shares market to minimise tracking difference. As a result, the Product may be more exposed to the market conditions during a shorter interval and may be more subject to liquidity risk.

8. Intraday investment risk

- The Product is normally rebalanced at or around the close of trading of the Shenzhen Stock Exchange on each Business Day. As such, returns for investors that invest for a period of less than a full trading day will generally be greater than or less than two times (2x) the leveraged investment exposure to the Index, depending upon the movement of the Index from the end of one trading day until the time of purchase.
- If there is a significant intraday market event and/or the securities of the Index experience a significant decrease, a Swap Counterparty's costs of financing the underlying hedge may increase significantly. This may in return increase the swap fees and adversely affect the Product's performance. In such circumstances, the Product may not meet its investment objective or rebalance its portfolio appropriately due to the possible difficulty to purchase or sell a Swap.

9. Concentration risk

- The Product's investments are concentrated in a specific geographical location (i.e. the PRC). The value of the Product may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Product may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the PRC market.

10. PRC market risks

- The Index constituents are companies listed on the Shenzhen Stock Exchange which is an emerging market. Investments of the Product may involve increased risks and special considerations not typically associated with an investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
- The A-Share market in the PRC is highly volatile and may be subject to potential settlement difficulties. Prices of A-Shares may rise and fall significantly and may fluctuate to a greater degree than more developed markets. Such volatility may result in suspension of A-Shares or imposition of other measures by the PRC authorities affecting the value of the Product.
- Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Product.

11. Risks relating to Mainland China A-Shares risk

- The Index consists of A-Shares which may only be bought or sold from time to time where the relevant A-Shares may be sold or purchased on the Shenzhen Stock Exchange. Given that the A-Share market is considered volatile and unstable (with the risk of suspension of a particular stock or government intervention), such high market volatility and potential settlement difficulties in the A-Share market may result in significant fluctuations in the prices of the securities traded on the A-Share market and thereby may adversely affect the Product.

12. Volatility and delisting risks associated with the ChiNext market

- Listed companies in the ChiNext market (e.g. innovative or small/medium sized enterprises ("**SME**")) are usually in their preliminary stage of development with smaller operating scale and shorter operating history, less mature business model and weaker risk management capacity, and their businesses are usually subject to higher uncertainty and more fluctuations in their performance. Therefore its stability and resistance to market risks may be lower. Hence, they are subject to higher market volatility and risks than companies listed on the main board.
- Conventional valuation methods may not be entirely applicable to companies listed in the ChiNext market due to the risky nature of the industries that these companies operate in. There are fewer circulating shares in the ChiNext market, hence stock prices may be relatively more easily manipulated and may experience higher fluctuation upon market speculation.
- The rules and regulations regarding securities in the ChiNext market are less stringent in terms of profitability and share capital than those applicable to the main board market and SME board market of the SZSE.
- It may be more common and faster for companies listed on ChiNext market to delist. This may have an adverse impact on the Product if the companies that it invests in are delisted.

13. Trading time differences risk

- Differences in trading hours between Shenzhen Stock Exchange and the SEHK may increase the level of premium/discount of the Unit price to its NAV because if Shenzhen Stock Exchange is closed while the SEHK is open, the Index level may not be available.

14. RMB currency and conversion risks

- The Product may invest in fixed income securities denominated in RMB and collective investment schemes through the Manager's status as RQFII where relevant transactions will be settled in RMB; the Swap Counterparties may hedge their Swap exposure by investing in A-Shares directly in the PRC mainland market and therefore the Product may also be subject to RMB currency associated risks. RMB is currently not freely convertible and is subject to exchange controls and restrictions. Under exceptional circumstances, payment of redemption proceeds and/or dividend payment in RMB in primary market may be delayed due to the exchange controls and restrictions applicable to RMB.
- 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.
- The Product may need to use currency other than the base currency as set out in the relevant ISDA Credit Support Annex for collateral and Initial Amount posting purpose. The Product may enter into currency contract to hedge the currency risk but the currency exposure is linked to marked-to-market value of the Swaps. This may bring additional cost and currency risk for the Product.

15. Risks associated with debt securities

- Interest rate risk: Investment in the Product is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Issuer credit risk: The Product is exposed to the credit/default risk of issuers of the debt securities that it may invest in.
- Sovereign debt risk: The Product's investment in debt instruments 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 Product to participate in restructuring such debts. The Product may suffer significant losses when there is a default of sovereign debt issuers.
- 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/downgrading risk: The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Product may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgrade.

16. Distributions out of capital or effectively out of capital Risk

- Payment of distributions out of capital or effectively out of 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 and may result in an immediate reduction in the NAV per Unit.

17. Passive investment risk

- The Product is passively managed and the Manager will not have the discretion to adapt to market change due to the inherent investment nature of the Product. Falls in the Index are expected to result in falls in the value of the Product.

18. 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.

19. Risks associated with the QFII and RQFII regime

- The Product may invest in other collective investment schemes through the Manager's QFII/RQFII status. The Product's ability to achieve its investment objective and strategy may be affected by the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC mainland, which are subject to change and such change may have potential retrospective effect.
- The Swap Counterparties may hedge their Swap exposure by investing in A-Shares through QFII/ RQFII of itself or a third party/affiliate. If a Swap Counterparty for whatever reason is unable to trade through QFII or RQFII (for example, due to revocation, termination or invalidation of approval of the QFII / RQFII), this may hinder the Swap Counterparty's ability to increase the size of the relevant Swap, which will in turn affect the Product's ability to achieve its investment objective and strategy. If this happens in respect of all the Swap Counterparties, the Product

may be closed for subscriptions. This may also cause the Units to trade at a premium to their NAV. In the worst case scenario, the Product may be terminated.

20. Reliance on market maker risk

- 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 gives not less than three months' notice prior to termination of the market making arrangement, liquidity in the market for the Units may be adversely affected if there is only one market maker for the Units. There is also no guarantee that any market making activity will be effective.

21. Tracking error and correlation risks

- The Product may be subject to tracking error risk, which is the risk that its Daily performance may not precisely track 2x of the Daily performance of the Index. This tracking error may result from the investment strategy used, costs related to the use of Swaps, liquidity of the market and fees and expenses, and the correlation between the performance of the Product and the two times (2x) Daily performance of the Index may be reduced. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication of the leveraged performance of the Index at any time.

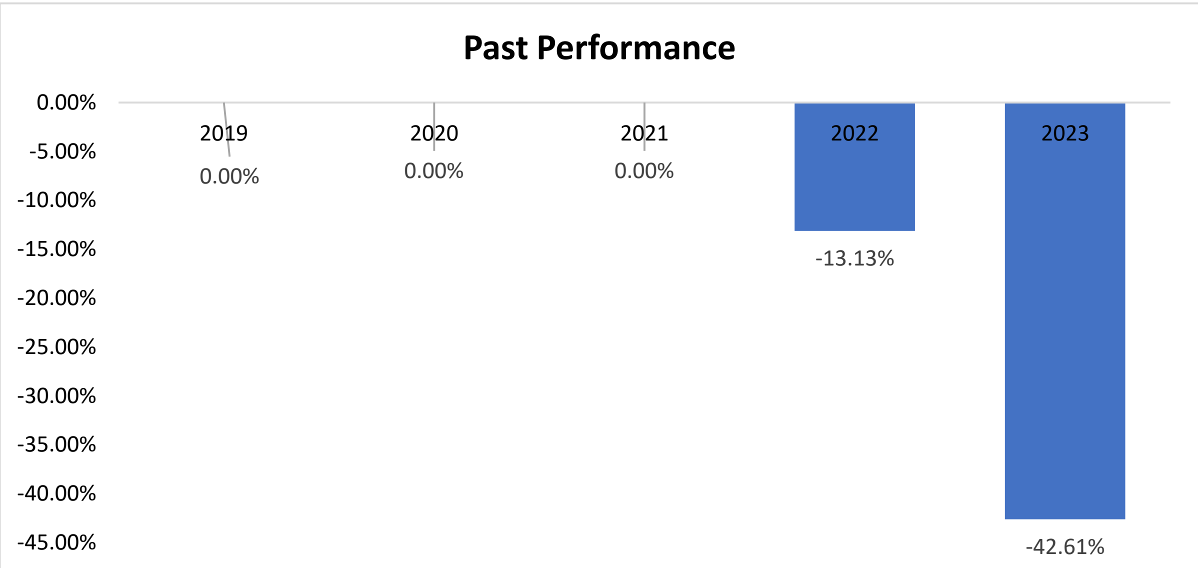
22. Volatility risk

- Prices of the Product may be more volatile than conventional ETFs because of the use of leverage and the daily rebalancing activities.

23. Termination risk

- The Product may be terminated early under certain circumstances, for example, where there is no market maker, the Index is no longer available for benchmarking or if the size of the Product falls below USD10 million. Investors may not be able to recover their investments and suffer a loss when the Product is terminated.

How has the Product performed?



- 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 (if any) reinvested.
- These figures show by how much the fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding trading costs on SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 10th May 2022. Calendar year performance of 2022 is calculated since the inception date on 10th May 2022

Is there any guarantee?

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

What are the fees and charges?

Charges incurred when trading the Product on the SEHK

Fees	What you pay
Brokerage fee	Market rates
SFC transaction levy	0.0027%[1]
Accounting and Financial Reporting Council ("AFRC") transaction levy	0.00015%[2] of the trading price
SEHK trading fee	0.00565%[3]
Stamp duty	Nil

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

[2] Accounting and Financial Reporting Council ("AFRC") transaction levy of 0.00015% of the trading price of the Units, payable by each of the buyer and the seller.

[3] Trading fee of 0.00565% of the trading price of the Units, payable by each of the buyer and the seller.

Ongoing fees payable by the Product

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

	Annual rate (as a % of NAV)
Management fee*	1.48%
Trustee fee*	0.1%, subject to a monthly minimum of USD3,000
Registrar fee	HKD5,000 per month
Performance fee	Nil
Administration fee	Included in the Trustee fee

** Please note that the management fee and the trustee fee may be increased up to a permitted maximum amount by providing one month's prior notice to Unitholders. 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 Product.*

Other fees

You may have to pay other fees when dealing in the Units of the Product. Please refer to the Prospectus for details.

Additional information

The Manager will publish important news and information with respect to the Product (including in respect of the Index), both in the English and in the Chinese languages, on the Manager's website at www.bosera.com.hk/en/products/funddetail/LI/overview?fundCode=ChiNextLI (which has not been reviewed by the SFC) including:

(a) the Prospectus and this statement (as revised from time to time);

(b) the latest annual financial reports and half-yearly unaudited financial reports (in English only);

(c) any notices relating to material changes to the Product which may have an impact on Unitholders such as material alterations or additions to the Prospectus or the Product's constitutive documents;

(d) any public announcements made by the Product, including information with regard to the Product and Index, notices of the suspension of the calculation of the NAV, suspension of creation and redemption of Units, changes in fees, and the suspension and resumption of trading;

(e) the near real time indicative NAV per Unit updated every 15 seconds during SEHK trading hours in HKD;

(f) the last NAV of the Product in HKD and the last NAV per Unit in HKD;

(g) the past performance information of the Product;

(h) the daily tracking difference, the average daily tracking difference and the tracking error of the Product;

(i) full portfolio information of the Product (updated on a Daily basis);

(j) the Product's gross and net exposure to each Swap Counterparty;

(k) pictorial presentation of collateral information by way of pie charts (updated on a weekly basis) showing the following (if applicable): a) a breakdown by asset type, e.g. equity, bond and cash and cash equivalents; b) for equity, further breakdown by (1) primary listing (i.e. stock exchanges), (2) index constituents, and (3) sector; c) for bond, further breakdown by (1) types of bonds, (2) countries of issuers/guarantors, and (3) credit rating;

(l) top 10 holdings in the collateral (including name, percentage of the Product's NAV, type, primary listing for equities, country of issuers, credit rating if applicable) (updated on a weekly basis);

(m) the latest list of Swap Counterparties (including hyperlinks to the websites of Swap Counterparties and their guarantors (if applicable)) (updated on a weekly basis);

(n) a "performance simulator" which allows investors to select a historical time period and simulate the performance of the Product vis-à-vis the Index during that period based on historical data;

(o) the latest list of the participating dealers and market makers; and

(p) compositions of dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for a rolling 12-month period.

The NAV per Unit in HKD will remain unchanged during the period when the A-Share market is closed. Please refer to the Prospectus for details.

The composition of dividends payable on Units (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital), if any, for the last 12 months are available from the Manager on request and are also published on the Manager's website www.bosera.com.hk/en/products/funddetail/LI/overview?fundCode=ChiNextLI (which 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.