

Prospectus – March 2019

CIFM China Sector Rotation Fund



Mainland-Hong Kong Mutual Recognition of Funds

Fund Manager:

China International
Fund Management

Main Distributor in Hong Kong:

J.P.Morgan
Asset Management

CIFM China Sector Rotation Fund

Prospectus (Updated)

Effective Date of Fund Contract: January 28, 2010

Fund Manager: China International Fund Management Co., Ltd.

Fund Custodian: China Merchants Bank Co., Ltd.

IMPORTANT NOTES

1. The Fund Manager guarantees that the contents of this Prospectus are true, accurate and complete;
2. This Prospectus has been approved by the CSRC, but the CSRC's approval of the offering of the Fund neither represents its substantive judgment or guarantee on the value and return of the Fund, nor indicates that there is no risk when investing in the Fund;
3. Investment involves risks. Investors should read this Prospectus carefully when making application (or subscription) for the Fund;
4. The Fund's past performance is not indicative of its future performance;
5. The Fund Manager shall manage and use the Fund's assets according to the principles of due diligence, honesty, good faith and prudence, but does not guarantee any profits or minimum returns of the Fund;
6. The contents contained in this Prospectus are as of January 27, 2019 while the cut-off date for the data of the Fund's portfolios and the Fund's performance is December 31, 2018.
7. For the detailed information and relevant matters relating to Class H Units of the Fund, please refer to the Hong Kong Covering Document of the Fund. Investors of Class H Units of the Fund shall read the Prospectus in conjunction with the Hong Kong Covering Document of the Fund and Product Key Facts Statement of Class H Units.

March 2019

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I. PREFACE

The Prospectus is prepared in accordance with *Securities Investment Fund Law of the People's Republic of China* and other relevant laws and regulations, as well as the *Fund Contract of CIFM China Sector Rotation Fund* (hereinafter referred to as the “Contract” or “Fund Contract”).

The Prospectus sets forth all necessary matters related to the investment decisions of investors, such as the investment objectives, strategies, risks and rates of CIFM China Sector Rotation Fund (hereinafter referred to as “the Fund” or “Fund”), and investors should read the Prospectus carefully before making investment decisions.

The Fund Manager undertakes that there is no false content, misleading statement or material omission in this Prospectus, and accepts legal liability for its truth, accuracy and completeness. The application for the offering of the Fund is based on the information stated in the Prospectus. The Fund Manager does not entrust or authorise any other person to provide information which is not stated in the Prospectus nor to make any interpretation or explanation of the Prospectus.

The Fund Manager undertakes to manage and use the Fund's assets according to the principles of honesty, good faith, diligence and prudence, but does not guarantee any profits or minimum returns of the Fund. The Fund will be issued according to the information stated in the Prospectus.

This Prospectus is prepared according to the Fund Contract and is approved by the CSRC. The Fund Contract is a legal document that stipulates the rights and obligations of the parties concerned. The Prospectus mainly discloses information about matters related to the Fund to the investors, and serves as an invitation for the offer based on which investors can choose and decide whether they will invest in the Fund. Fund investors will become Unitholders and parties to the Fund Contract once the fund units are obtained pursuant to the Fund Contract. Their holding of fund units is in itself an acknowledgment and acceptance of the Fund Contract, and they will be entitled to the rights and will assume the obligations pursuant to the *Funds Law*, the Fund Contract and other relevant provisions.

Fund Investors should read the Fund Contract carefully for the purpose of understanding the rights and obligations of the Unitholders.

II. DEFINITIONS

Unless otherwise specified herein, the following terms or abbreviations in this Prospectus shall have the meanings given below:

1. Fund or the Fund: CIFM China Sector Rotation Fund.
2. Fund Manager or the Fund Manager: China International Fund Management Co., Ltd.
3. Fund Custodian or the Fund Custodian: China Merchants Bank Co., Ltd.
4. Fund Contract or the Fund Contract: *Fund Contract of CIFM China Sector Rotation Fund* and any valid amendments or supplements made thereto.
5. Custody Agreement or the Custody Agreement: *Custody Agreement of CIFM China Sector Rotation Fund* entered into between the Fund Manager and the Fund Custodian in respect of the Fund, and any valid amendments or supplements made thereto.

6. Prospectus or the Prospectus: *Prospectus of CIFM China Sector Rotation Fund* and its periodical updates.
7. *Fund Units Offering Announcement: Offering Announcement of Units of CIFM China Sector Rotation Fund.*
8. Laws and Regulations: The prevailing valid laws, administrative statutes, regulatory documents, judicial interpretations and administrative regulations promulgated in China and other decisions, resolutions and notices which are binding on the Parties to the Fund Contract.
9. *Funds Law: The Securities Investment Fund Law of the People's Republic of China* which was revised by the 30th session of the Eleventh Standing Committee of National People's Congress on December 28, 2012 and implemented since June 1, 2013, and the amendments made thereto by the promulgation authority from time to time.
10. *Measures on Sales: Administrative Measures on Sales of Securities Investment Funds* which was issued by the CSRC on March 15, 2013 and implemented on June 1, 2013, and the amendments made thereto by the promulgation authority from time to time.
11. *Measures on Information Disclosure: Administrative Measures on Information Disclosure of Securities Investment Funds* which was issued by the CSRC on June 8, 2004 and implemented on July 1, 2004, and the amendments made thereto by the promulgation authority from time to time.
12. *Measures on Operation: Administrative Measures on the Operation of Publicly Offered Securities Investment Funds*, and the amendments made thereto by the promulgation authority from time to time.
13. *Liquidity Risk Management Regulations* refers to the *Liquidity Risk Management Regulations for Publicly-Offered Open-End Equity Investment Funds* issued by the China Securities Regulatory Commission (CSRC) on August 31, 2017, and implemented on October 1 of the same year, including amendments made thereto by the promulgating authority from time to time.
14. CSRC: China Securities Regulatory Commission.
15. Banking Regulatory Authority: The People's Bank of China and/or the China Banking Regulatory Commission.
16. Parties to the Fund Contract: Legal entities that are bound by the Fund Contract and that are entitled to the rights and assume the obligations thereunder, including the Fund Manager, the Fund Custodian and Unitholders.
17. Individual Investor: A Chinese citizen at an age of 18 or above who legally holds a valid identity document, such as a currently valid identity card of the People's Republic of China, military identity document, etc., and other natural person who can invest in securities investment funds according to the relevant laws and regulations or approval of the CSRC.
18. Institutional Investor: An enterprise corporate, business corporate, social group or other organisations which can invest in open-end securities investment funds according to laws, and are lawfully registered and sustaining or are established upon the approval of the relevant government departments and sustaining t in the People's Republic of China.

19. Qualified Foreign Institutional Investors or QFIIs: Foreign institutional investors that can invest in the domestic securities market of China according to prevailing relevant laws and regulations in effect.
20. Investors: A general term for individual investors, institutional investors, qualified foreign institutional investors and other investors who are allowed to purchase securities investment funds according to the Laws and Regulations or under the CSRC.
21. Unitholders: Investors who lawfully acquire the fund units according to the Fund Contract and the Prospectus.
22. Sales Business of the Fund: Businesses of promotion and recommendation, offering of the fund units, and processing of subscription, redemption, switching, non-trading transfer, agency transfer, and periodic subscription plan of the Fund, etc. by the Fund Manager or Sales Agencies.
23. Sales Institutions: Direct Sales Institution and Sales Agencies.
24. Direct Sales Institution: China International Fund Management Co., Ltd.
25. Sales Agencies: Institutions that satisfy the conditions in the *Measures on Sales* and other conditions specified by the CSRC, are qualified for carrying out fund sales agency business and have signed a fund sales service agency agreement with the Fund Manager to carry out fund sales business on its behalf.
26. Fund Sales Outlets: Direct sales centers of the Direct Sales Institution and outlets of Sales Agencies.
27. Registration Business: Registration, depository, transfer, clearing and settlement of the Fund, including the opening and management of Investors' fund accounts, registration of fund units, confirmation, clearing and settlement of Sales Business of the Fund, distribution of dividends on behalf of the Fund, establishment and keeping of the register of the Unitholders, etc.
28. Registrars: Institutions that process Registration Business. The Registrars of the Fund are China International Fund Management Co., Ltd. or institutions appointed by China International Fund Management Co., Ltd. to process the Registration Business of the Fund on its behalf.
29. Fund Accounts: Accounts opened at the Registrars for Investors, for the purpose of recording the balances and the changes of the fund units that are held by such Investor and managed by the Fund Manager.
30. Fund Trading Accounts: Accounts opened at the Sales Institutions for Investors, for the purpose of recording the changes and the balances of the fund units of the Fund arising from the dealings traded through such Sales Institutions.
31. Effective Date of Fund Contract: The date on which the offering of the Fund has satisfied the Laws and Regulations and conditions specified in the Fund Contract and on which the Fund Manager has completed the filing procedures with the CSRC and has obtained a written confirmation of its filing from the CSRC.

- 32. Termination Date of Fund Contract: The date on which the *Fund Contract* is terminated upon any event justifying such termination as specified in the *Fund Contract* has occurred, the assets of the Fund are liquidated and the results of liquidation are submitted to the CSRC for filing and announcement.
- 33. Initial Offer Period of the Fund: The period from the date on which the offering of fund units begins to the date on which the offering ends, provided that the period shall not exceed three months.
- 34. Duration: The indefinite period from the Effective Date of Fund Contract to the date when the Fund Contract is terminated.
- 35. Business Day: A normal trading day of the Shanghai Stock Exchange and the Shenzhen Stock Exchange.
- 36. T Day: A Business Day on which Investors' applications for Subscription, Redemption or other businesses are accepted by the Sales Institutions during the specified period of time.
- 37. T+n Day: The nth Business Day after T Day (excluding T Day).
- 38. Dealing Day: A Business Day on which Subscription, Redemption or other businesses of fund units are processed for the Investors.
- 39. Trading Hours: The hours in a Dealing Day during which Subscription, Redemption or other transactions of the Fund are accepted.
- 40. *Business Rules: The Business Rules on Registration of Securities Investment Fund of China International Fund Management Co., Ltd.* established to standardise the registration and settlement of securities investment funds under the management of the Fund Manager and are jointly observed by the Fund Manager and Investors.
- 41. Application: An Investor's application for purchasing certain fund units within the Initial Offer Period of the Fund.
- 42. Subscription: An Investors' application for purchasing certain fund units according to the requirements set out in the Fund Contract and the Prospectus after the Fund Contract becomes effective.
- 43. Redemption: A Unitholder's request of converting certain fund units into cash pursuant to the requirements set forth in the Fund Contract after the Fund Contract becomes effective;
- 44. Fund Switching: A Unitholder's application for switching his holding in the fund units of a certain fund managed by the Fund Manager into the fund units of other funds managed by the Fund Manager and registered at the same Registrar pursuant to the Fund Contract and the conditions announced and stipulated by the Fund Manager as then in force.
- 45. Agency Transfer: In relation to the fund units held by a Unitholder between different Sales Institutions of the Fund, means the change of such Sales Institutions.

46. Periodic Investment Plan: A way of investment whereby an investor submits an application through the relevant Sales Institution specifying each agreed Subscription Date, amount and way of payment on a regular basis, and the Sales Institution will automatically complete the debit in the bank account indicated by the investor and the Subscription on each prescheduled payment day.
47. Substantial Redemption: The net applications for Redemption of the Fund (i.e. the balance of the sum of total applications for Redemption of units and total applications for switching out from the Fund upon Fund Switching after deducting the sum of total applications for Subscription of units and the total applications for switching into the Fund upon Fund Switching) received on a single Dealing Day of the Fund exceeding 10% of the total fund units on the preceding Dealing Day.
48. Yuan: RMB Yuan.
49. Fund Income: Includes bonus from investments of the Fund, dividends, coupons, bid-ask spreads of securities, interest of bank deposits and other realised lawful income and savings of costs and expenses from the utilisation of the assets of the Fund.
50. Total Asset Value of the Fund: The total value of all types of marketable securities, principals and interests of bank deposits, monies receivable from Subscription of the Fund and other assets possessed by the Fund.
51. Net Asset Value (NAV) of the Fund: The value calculated by deducting liabilities of the Fund from the Total Asset Value of the Fund.
52. NAV per Fund Unit: The value resulting from the NAV of the Fund on the calculation day divided by the total number of fund units on the calculation day.
53. Valuation of Fund Assets: The process of valuation of assets and liabilities of the Fund in order to determine the NAV of the Fund and the NAV per Fund Unit.
54. *Assets with Restricted Liquidity* refers to assets that cannot be realised for a reasonable price because of some law, regulation, regulatory authority, contract or transactional constraint, including but not limited to reverse repurchases and bank term deposits (including bank deposits with agreed terms and conditions for early withdrawal) with a maturity longer than 10 trading days, shares suspended from trading, new shares with circulation restrictions and shares issued through private placement, asset-backed securities and bonds which cannot be transferred or traded due to default by issuer, etc.
55. Fund Unit Classification: The fund units are classified into two classes based on the sales location of the Fund and the fee rates of Subscription and Redemption. Different fund codes are assigned to these two classes of fund units respectively, and the NAV per Fund Unit shall be announced separately.
56. Class A Unit: Such fund units are only sold in Mainland China, and Subscription fee and Redemption fee shall be charged to such fund units.

57. Class H Unit: Such fund units are only sold in Hong Kong, China, and Subscription fee and Redemption fee shall be charged to such fund units.
58. Designated Media: The newspapers, websites and other media designated by the CSRC for information disclosure.
59. Force Majeure: Events that cannot be foreseen, defied or avoided by the Parties to the Fund Contract and occur after execution of the Fund Contract by the Fund Manager and the Fund Custodian and prevent the Parties to the Fund Contract from performing the Fund Contract in whole or in part, including but not limited to floods, earthquakes and other natural disasters, wars, chaos, fires, government forfeiture, confiscation, terroristic attacks, spread of infectious diseases, changes of laws and regulations, sudden power failures or other sudden incidents, unusual suspension or discontinuation of trading on securities exchanges, breakdowns in public communication facilities or the internet.

III. FUND MANAGER

(I) Profile of the Fund Manager

The Fund Manager of the Fund is China International Fund Management Co., Ltd., whose basic information is as follows:

Registered Address: 25/F, Aurora Plaza, No. 99, Fucheng Road, China (Shanghai) Pilot Free Trade Zone

Business Address: 25/F, Aurora Plaza, No. 99, Fucheng Road, China (Shanghai) Pilot Free Trade Zone

Legal representative: Chen Bing

General manager: Eddie Chang

Date of establishment: May 12, 2004

Paid-up registered capital: RMB 250 million

Name of shareholders, shareholding structure and shareholding ratio:

Shanghai International Trust & Investment Co., Ltd.	51%
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JP Morgan Asset Management (UK) Limited	49%
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China International Fund Management Co., Ltd. is a joint venture fund management company established on May 12, 2004 upon the approval of CSRC Zheng Jian Ji Zi [2004] No. 56. On August 12, 2005, the Fund Manager completed the issues in relation to changes in shareholding between shareholders. The registered capital of the Fund Manager remained unchanged. The shareholders' capital contribution ratios of Shanghai International Trust & Investment Co., Ltd. and JP Morgan Asset Management (UK) Limited have been changed from 67% and 33% to the current ratios of 51% and 49% respectively.

On June 6, 2006, the name of the Fund Manager was changed from “Shanghai Investment Morgan Fleming Fund Management Co., Ltd.” to “China International Fund Management Co., Ltd.”. The approval of CSRC has been obtained on April 29, 2006 with respect to the change of name, and all formalities related to the change have been completed at the State Administration for Industry and Commerce on June 2, 2006.

On March 31, 2009, the registered capital of the Fund Manager increased from RMB 150 million to RMB 250 million, and the proportion of shareholders’ capital contributions remained unchanged. All formalities related to the change have been completed at the State Administration for Industry and Commerce on March 31, 2009.

There is no record that the Fund Manager has been subject to any penalty.

(II) Information of Key Personnel

1. Basic information of members of the Board of Directors:

Chairman: Chen Bing

Holder of a Ph.D. degree and Senior Economist.

Chen Bing was formerly the General Manager of Capital & Finance Division of Dalian Branch, Assistant to General Manager of Capital & Finance Division of Head Office, and General Manager of Management Accounting Division and Wealth Management Division of the Personal Banking Headquarters of Head Office of Shanghai Pudong Development Bank. He also served as the Deputy General Manager & Board Secretary, Deputy Party Committee Secretary, and General Manager of Shanghai International Trust Co., Ltd.

He is now the Party Committee Secretary and General Manager of Shanghai International Trust Co., Ltd.; and the Chairman of China International Fund Management Co., Ltd.

Director: Paul Bateman

Bachelor’s degree.

Paul Bateman was formerly the Global Head of Chase Fleming Asset Management Limited and CEO of JP Morgan Asset Management’s global investment management business.

He is currently the Global Chairman of JP Morgan Asset Management, a member of the Asset Management Operations Committee and a member of the Investment Committee.

Director: Daniel J. Watkins

Bachelor’s degree.

Mr. Watkins formerly served as Deputy Chief Executive Officer for European Operations, Chief Operations Officer of J.P. Morgan Asset Management (Europe), Director of Global Investment Management Operations, Director of European Operations, Director of European Transfer Agency Operations, Director of Luxembourg Operations, Manager of European Transfer Agency and London Investment Operations and manager of the Flemings Investment Operations Teams.

He is currently the Chief Executive Officer and is a member of the Asset Management Operations Committee and the Asia Pacific Management Board at J.P. Morgan Asset Management (Asia).

Director: Wang Dazhi

Bachelor's degree.

He formerly served as Head of Funds in Hong Kong and Mainland China of JP Morgan Asset Management.

He is now acting as Chairman and Head of J.P. Morgan Asset Management, Taiwan.

Director: Pan Weidong

Holder of a master's degree, Senior Economist.

Pan Weidong was formerly the Chief Director of the Financial Institutions Department of the Shanghai Municipal Office of Financial Service (temporary position), Vice President of Shanghai International Group Co., Ltd and Party Committee Secretary of Shanghai International Trust Co., Ltd.

Pan Weidong is currently the Vice Head of Shanghai Pudong Development Bank Co. Ltd., Chairman of Shanghai International Trust Co., Ltd.

Director: Chen Haining

Holder of a postgraduate degree and economist.

He formerly acted as Assistant to General Manager of Financial Division, General Manager of Trade and Finance Division of Referendum Department, Vice Head, Party Committee Secretary and Head of Wuhan Branch of Shanghai Pudong Development Bank.

He is currently serving as General Manager of the Asset and Liability Management Division and the Strategic Development Department at the head office of Shanghai Pudong Development Bank.

Director: Ding Wei

Holder of a Master's degree.

Ding Wei was formerly the Deputy General Manager of Personal Banking Division of Shanghai Branch of China Construction Bank; and the General Manager of Bank Card Division of the Personal Banking Headquarters, Deputy General Manager of Personal Banking Headquarters & General Manager of Bank Card Division of Shanghai Pudong Development Bank.

He is currently serving as General Manager of the Retail Business Division at the head office of Shanghai Pudong Development Bank.

Director: Eddie Chang

Master of Business Administration from Taiwan University.

Eddie Chang was formerly the Deputy General Manager of Jardine Fleming Securities Co., Ltd. (currently known as JP Morgan Securities) and Chairman of J.P. Morgan Fleming Securities Co. Ltd.

He is currently the General Manager of China International Fund Management Co., Ltd.

Independent Director: Yu Qiao

Ph.D. in Economics.

Yu is a Professor of Economics and Finance at the School of Public Policy and Management, and Director of the Centre for Public Finance and Governance, Tsinghua University. He held various academic positions in the School of Economics at the University of Canterbury, the School of Economics at the National University of Singapore and the School of Finance at Fudan University.

Independent Director: Liu Hongzhong

Ph.D. in Economics from the Department of International Finance.

Liu is currently a professor of School of Economics and Deputy Director of Financial Research Center of Fudan University.

Independent Director: Day Linin

Master of Law from Taiwan University and Master of Law from Harvard University, US.

He was the former Vice Minister, Ministry of Finance in Taiwan and the Associate Professor of Law School, Soochow University in Taiwan.

He is currently the part-time Professor of Law School and Guanghua School of Management, Peking University.

Independent Director: Lee Tsun-siou

Ph.D. in Business Administration from University of California at Berkeley (major in Finance), Master of Business Administration and Master of Economics, etc.

Current Distinguished Professor of the Department of Finance, National Taiwan University.

2. Basic information of members of the Board of Supervisors:

Chairman of the Supervisory Committee: Zhao Zhengrong

Master's degree, Senior Economist.

He served successively as Vice President of Wenzhou Branch of Industrial and Commercial Bank of China, Vice President and President of Wenzhou Branch and President of Hangzhou Branch of Shanghai Pudong Development Bank. He is currently Chief Supervisor and Deputy Party Secretary of Shanghai International Trust & Investment Co., Ltd..

He is currently Chief Supervisor of Shanghai International Trust & Investment Co., Ltd.

Supervisor: Liang Bin

Bachelor's degree.

Liang previously worked as a lawyer at Clifford Chance (Hong Kong) for many years.

He is currently the Chinese General Counsel at JP Morgan Chase & Co.

Supervisor: Zhang Jun

Zhang Jun was formerly the Head of Trading Department, Fund Manager, Head of Investment Portfolio Management Department, Head of Investment Performance Appraisal, Head of International Investment Department, and Head of FOF Investment Department of China International Fund Management Co., Ltd.

He is currently the Investing Director of China International Fund Management Co., Ltd., managing CIFM Asia Pacific Advantage Mixed Securities Investment Fund, CIFM Global Natural Resources Mixed Securities Investment Fund and CIFM Global Multi-Asset Allocation Securities Investment Fund (QDII).

Supervisor: Wan Junchen

He was formerly Senior Legal Manager of Shanghai International Group Co., Ltd., Chief Risk Officer of China International Fund Management Co., Ltd. and Director of Sunward Capital Management Co., Ltd.

He is currently the General Manager of Sunward Capital Management Co., Ltd..

3. Basic information of General Manager:

Mr. Eddie Chang, General Manager.

Master of Business Administration from Taiwan University.

Eddie Chang was formerly the Deputy General Manager of Jardine Fleming Securities Co., Ltd. (currently known as JP Morgan Securities) and Chairman of J.P. Morgan Fleming Securities Co. Ltd.

4. Basic information of other senior executives:

Ms. Yang Hong, Deputy General Manager.

Graduated from Tongji University with a Ph.D. in Technical Economics and Management.

She was the Deputy Business Manager of Audit and Supervision Department, Deputy Manager of Sales Department & Union President, Deputy General Manager of Retail Banking Department and General Manager of Consumer Credit Center of the Shanghai Branch of China Merchants Bank. She was the General Manager of Personal Credit Department, General Manager of Personal Banking Development Management Department and General Manager of Retail Business Management Department of the Shanghai Branch of Shanghai Pudong Development Bank.

Mr. Du Meng, Deputy General Manager

Graduated from Nanjing University with a master's degree in Economics.

He has successively served as researcher in Tiantong Securities Co., Ltd., Central China Securities Holdings Co., Ltd., Guosen Securities Holdings Co., Ltd., and BOCI Securities. He worked for China International Fund Management Co., Ltd. (CIFM) as Industry Expert, Portfolio Manager Assistant, Portfolio Manager, Assistant to General Manager/Director & Senior Portfolio Manager of the First Investment Division of Domestic Equity Investment.

Ms. Sun Fang, Deputy General Manager

Graduated from East China Normal University with a master's degree in World Economics.

She has served successively as a research of Fortune SG Fund; an Industry Expert, Portfolio Manager Assistant, Deputy Director of Research Department, Portfolio Manager, Assistant to General Manager/Director & Senior Portfolio Manager of Second Investment Division of Domestic Equity Investment of China International Fund Management Co., Ltd..

Mr. Guo Peng, Deputy General Manager

Graduated from Shanghai University of Finance and Economics with a master's degree in Business Administration.

He has served successively as Marketing Manager, Deputy Marketing Director, Product and Customer Marketing Director, Marketing Director & Internet Finance Director and Assistant to General Manager of China International Fund Management Co., Ltd.

Mr. Zhang Jun, Deputy General Manager

Graduated from Tongji University with a Master's degree in Project Management.

Zhang Jun has successively worked as Office Secretary and Head of Business Department of Business Division of China Construction Bank Shanghai Branch, Vice President of Xuhui Sub-branch and Deputy General Manager of Personal Finance Department, and General Manager Assistant of China International Fund Management Co., Ltd.

Mr. Zou Shubo, Chief Compliance Officer.

Holder of a Bachelor's degree in management.

He was formerly the Senior Project Manager of Pan-China Certified Public Accountants, Chief Clerk of CSRC Shanghai Branch, Deputy Director and later Director of Compliance Department of China International Fund Management Co., Ltd.

5. The portfolio manager of the Fund

Ms. Sun Fang, the portfolio manager, Master in Economics degree of East China Normal University. From July 2003 to October 2006, she served as industry researcher in Fortune SGAM Fund; She joined China International Fund Management Co., Ltd since December 2006 and served successively as industry expert, Assistant to the portfolio manager, Deputy Director of Research Department, Portfolio Manager, Assistant to General Manager/ Director & Senior Portfolio Manager, Deputy General Manager& Deputy Investment Director of Second Investment Division of Domestic Equity Investment of China International Fund Management Co., Ltd.. She has acted as the portfolio manager of CIFM China Balanced Fund from December 2011 and the portfolio manager of CIFM Core Preferential Mixed Securities Investment Fund from November 2012. She acted as the portfolio manager of CIFM Core Growth Stock Securities Investment Fund from February 2014 to July 2015 at the same time and the portfolio manager of CIFM China Sector Rotation Fund from December 2014.

Mr. Xu Yunkai and Mr. Feng Gang acted as the portfolio managers of the Fund from January 28, 2010 to December 7, 2011 and from December 7, 2011 to December 19, 2014, respectively.

6. Names and positions of members of the Investment Decision-making Committee of the Fund Manager

Du Meng, Deputy General Manager and Investment Director; Sun Fang, Deputy General Manager and Deputy Investment Director; Zhu Xiaolong, Research Director; Meng Chenbo, Assistant to General Manager and Director of Currency Market Investment Department; Nie Shuguang, Director of Bond Investment Department; Zhang Jun, Investment Director; Huang Dong, Director of Quantitative Investment Department.

The persons listed above are not close relatives to each other.

(III) Duties and Responsibilities of the Fund Manager

1. To carry out the offering of the Fund according to the laws, and to undertake or entrust other institutions which are recognised by the securities supervisory authorities under the State Council to undertake the offer, subscription, redemption and registration of fund units;
2. To handle the procedures for filing of the Fund;
3. To carry out separate management, separate book-entry and securities investment for different fund assets under management;
4. To determine the income distribution of the Fund in accordance with the provisions of the Fund Contract and to distribute the income to the Unitholders in a timely manner;
5. To carry out accounting and audit for the Fund and to prepare financial accounts and reports of the Fund;
6. To prepare interim and annual reports of the Fund;
7. To calculate and publish the NAV of the Fund, and to determine the Subscription and Redemption prices per fund unit;
8. To issue notification in relation to the asset management activities of the Fund;
9. To convene a Unitholders' meeting;
10. To keep books and records and other relevant information in relation to the asset management activities of the Fund;
11. To represent the Unitholders to exercise the right of action or to conduct other legal proceedings for the benefits of Unitholders in the capacity of the Fund Manager;
12. Any other duties and responsibilities as stipulated by the securities regulatory authorities under the State Council.

(IV) Undertakings of the Fund Manager

1. The Fund Manager shall have the full discretion to manage the investments of the Fund, pursuant to the provisions of the Fund Contract and in accordance with the investment objectives, strategies and restrictions stated in this Prospectus.
2. The Fund Manager shall not engage in any activities that violate the *Securities Law of the People's Republic of China* (hereinafter referred to as the *Securities Law*) and other relevant laws and regulations. The Fund Manager shall establish a sound internal control system and adopt effective measures to prevent any breach of the *Securities Law* or non-compliance with other relevant laws and regulations.

3. The Fund Manager shall not engage in any of the following activities that violate the Funds Law and shall establish a sound internal control system and adopt effective measures to prevent the occurrence of activities prohibited under the laws and regulations:
 - (1) To invest in other funds, except as otherwise stipulated by the State Council;
 - (2) To prejudice the interests of Unitholders, and to provide fund assets to a third party as security, guarantee, capital lending or loan, except as otherwise used for financing guarantee stipulated by relevant regulations of the state;
 - (3) To engage in any investments which may result in the Fund being subject to unlimited liabilities;
 - (4) To engage in securities underwriting;
 - (5) To invest fund assets in the securities issued or underwritten during the underwriting period by companies in which the Fund Custodian or the Fund Manager has material interests;
 - (6) To violate the securities trading rules and manipulate and interfere with market prices;
 - (7) To prejudice the interests of Unitholders by violating laws and regulations;
 - (8) Any other activities prohibited by laws and regulations as well as the requirements of regulatory authorities.
4. The Fund Manager shall enhance personnel management, strengthen professional code of conduct, urge the staff to comply with the relevant laws, regulations and industry standards, and to conform to the principles of honesty, good faith and due diligence, and shall not engage in the following activities:
 - (1) To operate beyond its authority or in violation of the rules;
 - (2) To violate the Fund Contract or Fund Custody Agreement;
 - (3) To prejudice the legitimate interests of Unitholders or other Fund related institutions deliberately;
 - (4) To falsify materials submitted to CSRC;
 - (5) To refuse, interfere, obstruct or severely influence the lawful supervision of CSRC;
 - (6) To ignore duty and abuse power;
 - (7) To disclose any confidential information regarding the securities or funds known during its term of office, or any information, such as the investment contents of the Fund or the investment details of the Fund, which has not been published according to law;
 - (8) To violate the rules of securities exchanges, interfere with market order;

- (9) To disclose false, misleading and fraudulent contents in the public information disclosure intentionally;
- (10) Any other activities prohibited by laws and regulations and CSRC.

5. Undertakings of the portfolio manager

- (1) Seek to maximise the benefits for the Unitholders on the basis of prudence, pursuant to the provisions of relevant laws and regulations and the Fund Contract;
- (2) Not to make improper gains for himself, his agents, representatives, employees or any other third parties by taking advantage of his position;
- (3) Not to disclose any confidential information regarding the securities or funds known during his term of office, or any information, such as the investment details of the Fund or the investment plans of the Fund, which has not been published according to law;
- (4) Not to conduct any securities transaction in any way for other organisations or individuals.

(V) Internal Control System:

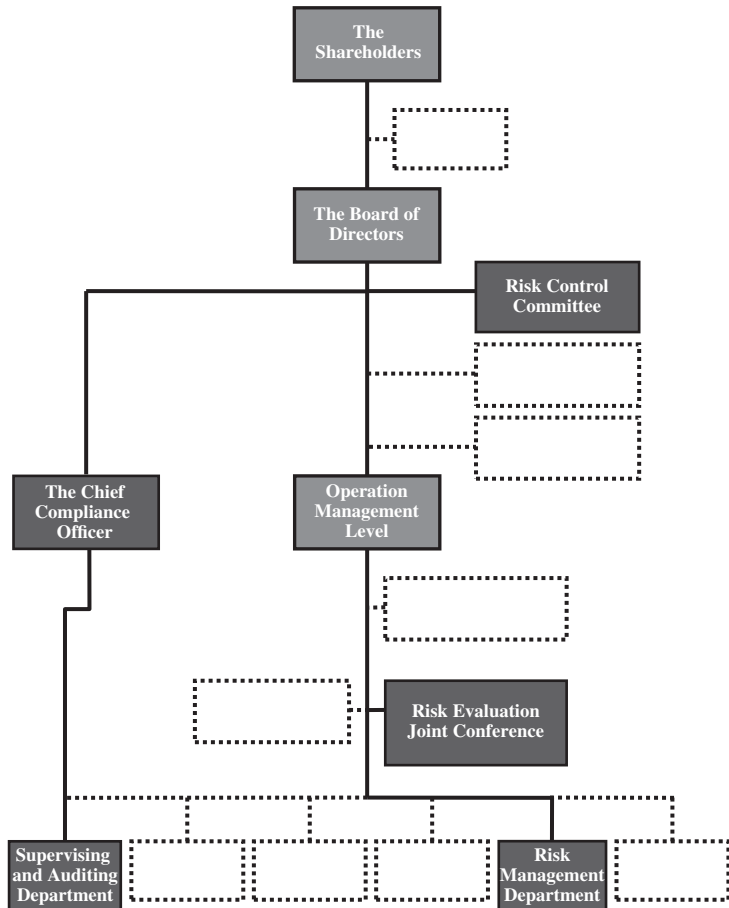
1. Principles of internal control:

The internal control of the Fund Manager adheres to the following principles:

- (1) Principles of robustness. Internal control should cover various business, departments or organisations and various levels of staff of the Fund Manager as well as all operational aspects, including decision-making, implementation, supervision and feedback.
- (2) Principles of effectiveness. Effective internal control procedures are established by means of scientific internal control procedures and methods so as to ensure the effective implementation of internal control system.
- (3) Principles of independence. The responsibility of each organisation, department and job position of the Fund Manager should remain independent from one other. The operation of fund assets, own assets and other assets of Fund Manager should be separated.
- (4) Principles of check and balance. The setup of the Fund Manager's internal departments and posts shall be clear with their rights and obligations delineated and checks and balances reinforced.
- (5) Principles of cost-effectiveness. Fund Manager reduces the cost of the business operations, enhances economic benefits by utilizing scientific management method, and achieves the best effects of internal control by controlling the cost reasonably.

2. The following principles should be adhered to in establishing internal control system:
 - (1) Principle of legality and compliance. The internal control system of Fund Manager shall comply with applicable laws, regulations, provisions and rules of the State.
 - (2) Principle of entirety. Internal control system should cover all aspects of the Fund Manager, no systematic gaps or loopholes should be left.
 - (3) Principle of prudence. Prudent operation, risk prevention and mitigation should be considered in the establishment of internal control system.
 - (4) Principle of timeliness. The internal control system should be modified or improved timely in line with any changes of related laws and regulations, and adjustments of internal and external environment such as adjustments of the Fund Manager's operation strategy, policy and philosophy.
3. The Fund Manager's representations on internal compliance control:
 - (1) The Fund Manager assures the authenticity and accuracy of the information disclosed above on internal control;
 - (2) The Fund Manager undertakes to improve its internal compliance control from time to time in light of the changes of the market and the developments of the Fund Manager.
4. Risk management system:
 - (1) The board of directors has established the Risk Control Committee, which is mainly responsible for affairs including risk management strategy and control policy of the Fund Manager, and managing major unexpected risks.
 - (2) The board of directors has appointed a Chief Compliance Officer, who is mainly responsible for the supervision of the legality and compliance of the Fund Manager's various business segments and internal auditing and monitoring of the Fund Manager. The Chief Compliance Officer may report to the board of directors of Fund Manager and CSRC directly.
 - (3) Risk Evaluation Joint Conference is set up under the operation management level to conduct risk assessment on management procedure in each department. Evaluation members include the operation management level, Chief Compliance Officer and department heads of Auditing, Risk Management, Fund Investment and Fund Operation Department. Risk Evaluation Joint Conference makes adequate evaluation and prevention of a variety of risks in advance, timely control the risks and take emergency measures.
 - (4) Supervising and Auditing Department is responsible for risk control checking on all departments of Fund Manager, inspection of the execution of internal control system and the compliance with State laws and regulations as well as other provisions by various departments on a regular or irregular basis, and making proposals for revisions when appropriate.

- (5) Risk Management Department is responsible for the establishment and update of investment restrictions indicator system, monitoring any investments that violate the restrictions set in the system and the risk control evaluation.
- (6) Risk Management Department is responsible for assisting various departments in rectifying and amending internal control operation system, controlling and managing risk indicators on a regular or irregular basis based on evaluation of day-to-day operation of all departments and making recommendations on internal control.



IV. FUND CUSTODIAN

(I) Information of the Fund Custodian

1. Basic information

Name:	China Merchants Bank Co., Ltd. (hereinafter referred to as “China Merchants Bank”)
Date of establishment:	April 8, 1987.
Registered address:	China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen
Office address:	China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen
Registered Capital:	RMB25.220 billion
Legal Representative:	Li Jianhong
President:	Tian Huiyu
Asset custody business approval number:	Zheng Jian Ji Jin Zi [2002] No.83
Telephone Number:	0755-83199084
Fax Number:	0755-83195201
Head of the information disclosure of the asset custody department:	Zhang Yan

2. Development Overview

China Merchants Bank was founded in April 8, 1987. Headquarters in Shenzhen, it was the first shareholding commercial bank controlled completely by corporate legal persons in China. Since its establishment, China Merchants Bank has carried out three expansions in capital and shares. In March 2002, it successfully issued 1.5 billion A-shares. On April 9, 2002, it was listed at Shanghai Stock Exchange (Stock Code: 600036). It is the first listed company in China adopting International Accounting Standards in its initial public offering. In September 2006, it successfully issued 2.2 billion H-shares. On September 22, 2006, it was listed at Hong Kong Stock Exchange (Stock Code: 3968). H-share over-allotment options were exercised on October 5, 2006, issuing 2.42 billion H-shares in total. As of September 30, 2018, the total assets of the Group reached RMB 6,508.681 billion. The capital adequacy ratio based on advanced approach was 15.46% and that based on weighting approach was 12.80%.

In August 2002, China Merchants Bank established the Fund Custody Department, which was renamed to Asset Custody Department in August 2005 with the approval of CSRC. This department consists of five functional offices (Business Management, Product Management, Business Operation, Supervision & Audit, and Fund Outsourcing), and currently has 80 employees. In November 2002, with the approval from the People’s Bank of China and the CSRC, China Merchants Bank obtained the qualification for securities investment fund custody business, and became the first listed bank with such qualification in China. In April 2003, the fund custody business was officially launched. As a commercial bank with the most comprehensive custody business qualifications, China Merchants Bank has been qualified for securities investment fund custody, trustee

investment management custody, qualified foreign institution investor custody (QFII), qualified domestic institution investor custody (QDII) national social security fund custody, insurance fund custody, and enterprise annuities custody.

China Merchants Bank has developed the custody philosophy of “adapting to new trends and thinking for customers prospectively” and the core value of custody of “custody of wealth and delivery on commitments”. It has created a unique “6S Custody Bank” brand system to accomplish the mission of “protecting your business and wealth”, leading to emergence of a number of innovative custody systems, services, and products: China Merchants Bank was the first bank in Chinese bank industry to introduce “online custody bank system”, “general custody business system” and “six devotions” custody service standards, and the first bank to publish private equity fund performance analysis report and to open the first custody bank website in China. It also successfully provided custody for the first domestic securities firms collective fund management plan, the first FOF, the first trust fund plan, and the first private equity fund. Among all Chinese banks, China Merchants Bank was the first to achieve T+1 account transfer for money market fund redemption, and it also set up the first foreign bank QDII fund, the first dividend ETF fund, the first “1+N” special account fund management, the first major and minor non-deregulated assets, and the first single TOT keeping. China Merchants Bank has changed from a single custody service provider to a comprehensive investor service institution, and gained wide recognition in the industry.

The asset custodian business of China Merchants Bank enjoys healthy development and its social influence is growing. China Merchants Bank has been selected by *The Asset* magazine as “Best Professional Custody Bank in China” for four consecutive years. In June 2016, China Merchants Bank was awarded “China’s Best Custody Bank” by *The Asset* magazine, making it the only Chinese winner of this award; The “Tuoguantong” was granted the “Innovation Prize for Top Ten Financial Products” for 2016 in China by *The Banker* magazine; in July, the bank won the “Best Asset Custodian Bank” award under 2016 China Asset Management Jinbei Prize. In June 2017, China Merchants Bank was again awarded the honor of “The Best Custody Bank in China” by *The Asset* magazine. The “full-featured online custody bank 2.0” was granted the “Innovation Prize for Top Ten Financial Products” for 2017 in China by *The Banker* magazine. In August, the bank won the “Annual Chinese Custody Bank Award” by the international financial media authority “The Asian Banker”. The bank received the “Best Asset Custodian of the Year (2017)” award from China Central Depository and Clearing (CCDC) in January 2018, and its “Risk Management System for the Custodian Big Data Platform” won a “Jin Dianzi” gold award from the China Banking Regulatory Commission (CBRC) for the year 2016-2017 and a “Jin Dianzi” silver award from the Working Committee on Finance of the CPC Central Committee and the National Federation of Young Financial Professionals at the Communist Youth League’s fifth “quality and efficiency awards”; China Merchants Bank won the “Best Fund Custodian Bank Award” (20th Anniversary of Publicly Offered Funds in China) in March, and the “Best Chinese Custodian Bank of the Year” offered by leading global financial magazine “The Asian Banker” in May.

(II) Information of Key Personnel

Mr. Li Jianhong, board chairman and non-executive director of China Merchants Bank. He began to act as director and board chairman of China Merchants Bank in July 2014. MBA of University of East London, Master of Economic Management from Jilin University, Senior economist. He is the Board chairman of China Merchants Group, and also acts as the board chairman of China Merchants Holdings (International) Company Limited, board chairman of China Merchants Energy Shipping Co., Ltd., board chairman of China International Marine Containers (Group) Co., Ltd., board chairman of China Merchants Huajian Highway Investment Co., Ltd., and board chairman of China Merchants Capital Co., Ltd. He has previously acted as president assistant, chief economist, and vice president of China Ocean Shipping (Group) Company, and director and president of China Merchants Group.

Mr. Tian Huiyu, president and executive director of China Merchants Bank. He began to act as president and executive director of China Merchants Bank on May 2013. Master of Public Administration at Columbia University, Senior economist. From July 2003 to May 2013, he successively acted as vice president of Shanghai Bank, vice president of China Construction Bank Shanghai Branch, president of China Construction Bank Shenzhen Branch, and retailing director and Beijing Branch president of China Construction Bank.

Mr. Wang Liang, Vice President of the bank, Master of Money & Banking, Senior Economist. From 1991 to 1995, he worked in China Sci-Tech International Trust & Investment Company. From June 1995 to October 2001, he served successively as Assistant to President, Vice President and President of Zhanlanlu and Dongsanhuan Sub-Branched as well as General Manager of Risk Control Department of Beijing Branch of China Merchants Bank. From October 2001 to March 2006, he served successively as Assistant to President and Vice President of Beijing Branch. From March 2006 to June 2008, he served as Party Committee Secretary and Vice President (be in charge) of Beijing Branch. From June 2008 to June 2012, he served as President and Party Committee Secretary of Beijing Branch. From June 2012 to November 2013, he served as Assistant to President of Head Office and President and Party Committee Secretary of Beijing Branch of China Merchants Bank. From November 2013 to December 2014, he served as Assistant to President of Head Office of China Merchants Bank. Since January 2015, he has been Vice President of the bank, and since November 2016, he has served concurrently as Board Secretary of the bank.

Ms. Jiang Ran, general manager of Asset Custody Division of China Merchants Bank. Bachelor degree. She is qualified for fund custodian senior management work. She has successively worked in Agricultural Bank of China Heilongjiang Branch, Chinese Mercantile Bank, and Agricultural Bank of China Shenzhen Branch, dealing with credit management and custodian work. She joined the China Merchants Bank in September 2002, and successively acted as Asset Custody manager, senior manager, and general manager assistant of the headquarters of China Merchants Bank. She is one of the main designers and developers of the first online custody bank in China with over 20 years of experience in bank credit and custody business. She has in-depth knowledge and rich experiences in the fields of custody product innovation, service flow optimisation, marketing and customer relation management.

(III) Operations of Funds Custody Business

As of September 30, 2018, China Merchants Bank Co., Ltd. had provided custody service for 401 open-end funds.

(IV) Internal Control Systems of the Fund Custodian

1. Objectives of Internal Control

China Merchants Bank ensures that its custody services strictly comply with relevant national laws and regulations and industrial regulatory rule, realise the business concept and philosophy of lawful and regulated operation, establishes scientific and reasonable decision-making, execution and supervision mechanisms to prevent and resolve operation risks, and guarantees the stable operation of custodial business and safety of assets in custody. Establish a risk control system to facilitate error checking, loophole minimizing, and elimination of potential risks, and to ensure stable business operation. Ensure true, accurate, complete, and timely custody business information. Ensure continuous improvement of internal control mechanisms and systems as well as different business systems and procedures.

2. Organisational Structure of Internal Control

China Merchants Bank has established a three-level risk prevention system for asset custody business:

First level of risk prevention: Preventing and controlling risk at the group level.

Second level of risk prevention: The Supervision and Audit Office in the Asset Custody Division to deal with the department's internal risk prevention and control.

Third level of risk prevention: The Asset Custody Division of the bank follows the principle of "checks and balances" when defining specialist job positions in the Asset Custody Department. The checks and balances mechanism is established based on the level of risks involved in business operations.

3. Principles of Internal Control

- (1) Principle of entirety. Internal controls cover all business processes and operations, including all offices and posts.
- (2) Principle of prudence. The core goal of internal controls is effective prevention of various risks. Both the organisation of custody services themselves and the internal management systems are focused on risk prevention and prudent operations. Internal controls are the first priority.
- (3) Principle of independence. The responsibilities of different offices and positions in the custody services unit are independent, with firewalls between different custodial assets and between custodial assets and the bank's own assets. Internal control departments which are responsible for investigation and evaluation are independent of departments which establish and operate internal control systems.

- (4) Principles of effectiveness. Internal controls have authority over every area of the bank's work. No person's authority lies outside the internal controls system, and any problems found in internal control systems are reported and corrected swiftly.
- (5) Principles of adaptability. The internal control shall meet the needs of the CMB's custody business risk management, and shall be revised and optimised with the changes of internal environments such as custody business operation strategies, directions, and concepts as well as changes of external environments such as national laws, regulations and political systems etc.
- (6) Principles of firewall. The CMB Asset Custody Department is equipped with dedicated IT systems for custodial services, including networks, applications, security and data backup.
- (7) Principles of importance. Internal controls offer controls over every part of the business, but there is a particular focus on key custodian services and high-risk fields.
- (8) Principle of Check and Balance. The internal control shall create a mutual checking and mutual supervision system in terms of custody organisational structure, institutional settings, right and responsibility allocation, and business flows, while giving consideration to operation efficiency.

4. Measures of Internal Control

- (1) CoComprehensive systems. The CMB Asset Custody Department ensures rational, systematic and standardised operations in asset custody services through comprehensive systems and regulations covering internal control, product acceptance, accounting, clearing of funds, positions, document management and information management.
- (2) Operation risk control. The CMB Asset Custody Department is responsible for formulating a complete set of operating procedures for asset custody approvals, fund settlement and auditing (two persons for double posts), tracking of large funds by special personnel, management of documentation, etc., to effectively control risks during operation.
- (3) Business information risk control. The CMB Asset Custody Department has strict encryption and backup measures in place to support data transmission and storage. All data are encrypted, transmitted over a hard network, and are backed up off-site in real time. Access to any operational data is subject to stringent authorisation requirements.
- (4) Customer data risk control. Asset Custody Division of China Merchants Bank treats and keeps the customer information obtained during business handling as accounting data. Customer data shall not be disclosed. Any retrieval of such data by relevant personnel shall be approved by the members of the General Manager Office and accompanied by a proper registration.

- (5) IT system risk control. China Merchants Bank adopts a “two-person, double-post, and double-duty” system for management of the IT systems. The computer rooms are attended 24 hours a day and provided with access management, as well as computer passwords setup and authority management. Separations are made between business network and office network. The custody services network is “double separated” from the bank’s main operational network, and is protected by a firewall when connected to any external entity. Remote backup for the IT systems is on a double-redundant “three centres at two locations” system to external business institutions to ensure safety of IT systems.
- (6) Human Resources Control. Asset Custody Division of China Merchants achieves effective human resources management by building good corporate culture, employee training, incentive mechanism, reinforced HR management, and by building talent teams on different levels and a talent retention system.

(V) Methods and Procedures for Supervising the Fund Manager’s Operation of the Fund by the Fund Custodian

The Fund Custodian monitors and checks the legality and compliance of the Fund’s operations in terms of scope of investment and investment ratios and portfolio, in compliance with the Securities Investment Fund Law of the People’s Republic of China, Administrative Measures on the Operation of Publicly Offered Securities Investment Funds, other laws and regulations, the Fund Contract and the Custody Agreement.

In the daily clearing and settlement services provided to the Fund’s investment operation, the Fund Custodian inspects and supervises investment instructions given by the Fund Manager and withdrawals and payment of expenses by the Fund Manager. Instructions found to be in violation of any laws, regulations or the Fund Contract are rejected, and the Fund Manager is notified immediately.

If the Fund Custodian finds that an investment instruction issued by the Fund Manager, which has already come into effect according to the trading procedure, is in violation of a law, administrative regulation and/or other relevant rules or the Fund Contract, it notifies the Fund Manager immediately in writing that the violation must be remedied, and the time limit for rectification shall conform to the adjustment period allowed by law and the Fund Contract. After receiving the written notice sent by the Fund Custodian, the Fund Manager shall, within a specified time, reply and correct, or give explanation or evidence regarding the queries of the Fund Custodian. Where the Fund Manager fails to make correction despite the warning of the Fund Custodian, the Fund Custodian shall report to the CSRC.

V. RELEVANT SERVICE INSTITUTIONS

(I) Sales Institutions of Fund:

1. Direct sales institution: China International Fund Management Co., Ltd. (As above)
2. Sales Agencies of Class A Units:
 - (1) China Construction Bank Corporation
Registered Address: No. 25 Finance Street, Xicheng District, Beijing
Office Address: Building 1, No. 1 Naoshikou Street, Xicheng District, Beijing
Legal Representative: Tian Guoli
Customer Service Telephone Number: 95533
Website: www.ccb.com
 - (2) Industrial and Commercial Bank of China Limited
Registered Address: No.55 Fuxingmennei Street, Xicheng District, Beijing
Legal Representative: Yi Huiman
Unified Customer Service Inquiry Telephone Number: 95588
Website: www.icbc.com.cn
 - (3) Agricultural Bank of China Limited
Registered Address: No.69, Jianguomennei Street, Dongcheng District, Beijing
Office Address: No.69, Jianguomennei Street, Dongcheng District, Beijing
Legal Representative: Zhou Mubing
Customer Service Telephone Number: 95599
Website: www.abchina.com
 - (4) Bank of China Limited
Address: No.1 Fuxingmennei Street, Xicheng District, Beijing
Office Address: No.1 Fuxingmennei Street, Xicheng District, Beijing
Legal Representative: Chen Siqing
Customer Service Telephone Number: 95566
Website: www.boc.cn
 - (5) China Merchants Bank Co., Ltd.
Registered Address: No. 7088, Shennan Street, Futian District, Shenzhen, Guangdong Province
Office Address: No. 7088, Shennan Street, Futian District, Shenzhen, Guangdong Province
Legal Representative: Li Jianhong
Customer Service Center Telephone Number: 95555
Website: www.cmbchina.com
 - (6) Bank of Communications Co., Ltd.
Registered Address: No. 188, Middle Yincheng Road, Shanghai
Office Address: No. 188, Middle Yincheng Road, Shanghai
Legal Representative: Peng Chun
Customer Service Hotline: 95559
Website: www.bankcomm.com

- (7) Shanghai Pudong Development Bank Co., Ltd.
Registered Address: No. 500 South Pudong Road, Pudong New Area, Shanghai
Office Address: No. 12, Zhongshan Dong Yi Road, Shanghai
Legal Representative: Gao Guofu
Customer Service Hotline: 95528
Website: www.spdb.com.cn
- (8) Industrial Bank Co., Ltd.
Registered Address: No. 154, Hudong Road, Fuzhou
Legal Representative: Gao Jianping
Customer Service Telephone Number: 95561
Website: www.cib.com.cn
- (9) Bank of Shanghai Co., Ltd.
Registered Address: No. 168 Middle Yincheng Road, Pudong New Area, Shanghai
Office Address: No. 168 Middle Yincheng Road, Pudong New Area, Shanghai
Legal Representative: Fan Yifei
Customer Service Hotline: 021-962888
Website: www.bankofshanghai.com
- (10) China Everbright Bank Company Limited
Registered Address: Ever Bright Building, No. 6 Fuxingmenwai Street, Xicheng District, Beijing
Legal Representative: Tang Shuangning
Customer Service Telephone Number: 95595
Website: www.cebbank.com
- (11) China CITIC Bank Co., Ltd.
Registered Address: Building C, Fuhua Plaza, No. 8 North Chaoyangmen Street, Dongcheng District, Beijing
Legal Representative: Kong Dan
24-Hour Customer Service Hotline: 95558
Website: www.citicbank.com
- (12) China Minsheng Banking Corp., Ltd
Registered Address: No.2 Fuxingmennei Street, Xicheng District, Beijing
Legal Representative: Dong Wenbiao
24-Hour Customer Service Hotline: 95568
Website: www.cmbc.com.cn
- (13) Hua Xia Bank Co., Limited
Registered Address: No.22, Jianguomennei Street, Dongcheng District, Beijing
Office Address: No.22, Jianguomennei Street, Dongcheng District, Beijing
Legal Representative: Wu Jian
Customer Inquiry Telephone Number: 95577
Website: www.hxb.com.cn

- (14) Bank of Beijing Co., Ltd.
Registered Address: 1/F, A17, Finance Street, Xicheng District, Beijing
Office Address: C17, Finance Street, Xicheng District, Beijing
Legal Representative: Yan Bingzhu
Customer Service Telephone Number: 95526
Company Website: www.bankofbeijing.com.cn
- (15) Bank of Ningbo Co., Ltd.
Registered Address: No. 700 South Ningnan Road, Yinzhou District, Ningbo
Legal Representative: Lu Huayu
Unified Customer Service Inquiry Telephone Number: 96528 (962528 for Shanghai and Beijing area)
Website: www.nbcb.com.cn
- (16) Ping An Bank Co., Ltd.
Registered Address: Ping An Bank Building, No. 1099 Shennanzhong Road, Shenzhen
Legal Representative: Sun Jianyi
Unified Customer Service Inquiry Telephone Number: 40066-99999
Website: bank.pingan.com
- (17) China Guangfa Bank Co., Ltd
Residence Address: No. 713 East Dongfeng Road, Yuexiu District, Guangzhou
Office Address: No. 83 Nong Lin Xia Road, Guangzhou
Legal Representative: Dong Jianyue
Customer Service Telephone Number: 400 -830-8003
Website: <http://www.gdb.com.cn>
- (18) Dongguan Rural Commercial Bank Co., Ltd.
Registered Address: No. 2 Nancheng Road, Dongguan
Office Address: No. 2 Nancheng Road, Dongguan
Legal Representative: He Peiliang
Customer Service Telephone Number: 961122
Website: www.drcbank.com
- (19) Shanghai Rural Commercial Bank Co., Ltd.
Registered Address: No. 981 Pudong Avenue, Pudong New Area, Shanghai, China
Office Address: 15-20/F, 21-23/F, Zhongrong Jasper Tower, No. 8 Middle Yincheng Road, Pudong New Area, Shanghai
Legal Representative: Ji Guangheng
Portal Website: www.srcb.com
Customer Service Line: 021-962999

- (20) Shenwan Hongyuan Securities Co., Ltd.
Registered Address: 45/F, No. 989, Changle Road, Xuhui District, Shanghai
Office Address: 45/F, No. 989, Changle Road, Xuhui District, Shanghai (postal code: 200031)
Legal Representative: Li Mei
Customer Service Hotline: 95523 or 4008895523
International Website: www.swhysc.com
- (21) Shenwan Hongyuan Western Securities Co., Ltd.
Registered Address: Room 2005, 20/F, Dacheng International Building, No. 358, Beijing South Road, High-tech District (Xinshi District), Urumchi, Xinjiang
Office Address: Room 2005, 20/F, Dacheng International Building, No. 358, Beijing South Road, High-tech District (Xinshi District), Urumchi, Xinjiang (postal code: 830002)
Legal Representative: Li Qi
Customer Service Hotline: 400-800-0562
Website: www.hysec.com
- (22) Shanghai Securities Co., Ltd.
Registered Address: 7/F, Jiushi Business Building, No.213, Middle Sichuan Road, Huangpu District, Shanghai
Business Address: 7/F, Jiushi Business Building, No.213, Middle Sichuan Road, Huangpu District, Shanghai
Legal Representative: Li Junjie
Customer Service Telephone Number: 021-962518
Website: www.962518.com
- (23) Guotai Junan Securities Co., Ltd.
Registered Address: No. 618 Shangcheng Road, China (Shanghai) Pilot Free Trade Zone
Office Address: 29/F, Bank of Shanghai Tower, No. 168 Middle Yincheng Road, Shanghai
Legal Representative: Yang Dehong
Customer Service Inquiry Telephone Number: 95521
Website: www.gtja.com
- (24) Guangfa Securities Co., Ltd.
Registered Address: (Rooms 4301-4316), 43/F Metropolitan Plaza, No. 183-187 Tianhe North Road, Tianhe District, Guangzhou
Office Address: 5/F, 18/F, 19/F, 36/F, 38/F, 39/F, 41/F, 42/F, 43/F, 44/F, Metropolitan Plaza, Tianhe North Road, Guangzhou, Guangdong Province
Legal Representative: Sun Shuming
Unified Customer Service Hotline: 95575 or call local business outlets
Company Website: <http://www.gf.com.cn>

- (25) China Merchants Securities Co., Ltd.
Registered Address: 38-45/F, Jiangsu Building, Yitian Road, Futian District, Shenzhen
Legal Representative: Gong Shaolin
Customer Service Telephone Number: 95565
Website: www.newone.com.cn
- (26) Everbright Securities Co., Ltd.
Registered Address: No. 1508, Xinzha Road, Jing'an District, Shanghai
Office Address: No. 1508, Xinzha Road, Jing'an District, Shanghai
Legal Representative: Zhou Jiannan
Website: www.ebscn.com
- (27) China Galaxy Securities Co., Ltd.
Registered Address: Block C, International Enterprise Building, No. 35, Finance Street, Xicheng District, Beijing
Legal Representative: Chen Youan
Customer Service Telephone Number: 4008888888
Website: www.chinastock.com.cn
- (28) China Securities Co., Ltd.
Registered Address: Building 4, No. 66 Anli Road, Chaoyang District, Beijing
Office Address: No.188, Chaonei Street, Dongcheng District, Beijing
Legal Representative: Wang Changqing
Customer Service Inquiry Telephone Number: 400-8888-108
Website: www.csc108.com
- (29) Industrial Securities Co., Ltd.
Registered Address: No. 268 Hudong Road, Fuzhou
Legal Representative: Yang Huahui
Customer Service Telephone Number: 95562
Company Website: www.xyzq.com.cn
- (30) Haitong Securities Co., Ltd.
Registered Address: No. 98 Middle Huaihai Road, Shanghai
Legal Representative: Wang Kaiguo
Customer Service Telephone Number: 95553
Company Website: www.htsec.com
- (31) Guodu Securities Co., Ltd.
Registered Address: 9-10/F, Guohua Investment Plaza, No. 3 South Dongzhimen Street, Dongcheng District, Beijing
Office Address: 9-10/F, Guohua Investment Plaza, No. 3 South Dongzhimen Street, Dongcheng District, Beijing
Legal Representative: Wang Shaohua
Customer Service Telephone Number: 4008188118
Website: www.guodu.com

- (32) Guosen Securities Co., Ltd.
Registered Address: 16-26/F, Guosen Securities Tower, No. 1012, Middle Hongling Road, Shenzhen
Legal Representative: He Ru
Customer Service Telephone Number: 95536
Company Website: www.guosen.com.cn
- (33) Huatai Securities Co., Ltd.
Registered Address: Huatai Securities Plaza, No. 228 Jiangdong Road Middle, Jianye District, Nanjing, Jiangsu Province
Legal Representative: Zhou Yi
Customer Inquiry Telephone Number: 95597
Website: www.htsc.com.cn
- (34) CITIC Securities Co., Ltd.
Registered Address: North Tower, Times Square Excellence Phase II, No. 8 Zhongxin San Road, Futian District, Shenzhen, Guangdong
Office Address: CITIC Securities Tower, No. 48, Liangmaqiao Road, Chaoyang District, Beijing
Legal Representative: Wang Dongming
Customer Service Hotline: 010-95558
- (35) Orient Securities Co., Ltd.
Registered Address: 22-29/F, Building 2, No. 318 South Zhongshan Road, Shanghai
Legal Representative: Pan Xinjun
Customer Service Hotline: 95503
Website of Orient Securities: www.dfzq.com.cn
- (36) Fortune Securities Co., Ltd.
Registered Address: 26/F, Shuntian International Fortune Center, No. 80, Section 2 of Middle Furong Road, Changsha
Legal Representative: Zhou Hui
Company Website: www.cfzq.com
- (37) Xiangcai Securities Co., Ltd.
Address: 12/F, Zhongshan International Building, No. 63 Huangxing Middle Road, Changsha
Legal Representative: Lin Junbo
Open-end Fund Customer Service Telephone Number: 400-888-1551
Company Website: www.xcsc.com
- (38) CITIC Securities (Shandong) Co., Ltd.
Registered and Office Address: Room 2001, Building 1, No. 222 Shenzhen Road, Laoshan District, Qingdao, Shandong
Legal Representative: Yang Baolin
Customer Service Telephone Number: 95548
Company Website: www.citicssd.com

- (39) BOCI Securities Co., Ltd.
Registered Address: 39/F, BOCI Building, No. 200 Yinchengzhong Road, Pudong New Area, Shanghai
Legal Representative: Tang Xinyu
Open-end Fund Inquiry Telephone Number: 4006208888, or the inquiry Telephone Number of local business outlets
Open-end Fund Business Facsimile: 021-50372474
Website: www.bocichina.com
- (40) Greatwall Securities Co., Ltd.
Domicile and Office Address: 14/F & 16-17/F, Shenzhen Special Area Daily Building, No. 6008 Shennan Road, Futian District, Shenzhen
Legal Representative: Huang Yaohua
Customer Service Hotline: 400 6666 888
Website: www.cgws.com
- (41) Tebon Securities Co., Ltd.
Office Address: 26/F, Urban Construction Tower, No. 500 Fushan Road, Pudong New Area, Shanghai
Legal Representative: Yao Wenping
Telephone Number: 021-68761616
Customer Service Telephone Number: 4008888128
Website: www.tebon.com.cn
- (42) China Investment Securities Co., Ltd.
Domicile: 18-21/F and Units 01, 02, 03, 05, 11, 12, 13, 15, 16, 18, 19, 20, 21, 22, 23 on 4/F, Building A, Rongchao Commercial Center, crossing of Yitian Road and Fuzhong Road, Futian District, Shenzhen
Office Address: 4/F and 18-21F, Building A, Rongchao Commercial Center, No. 6003 Yitian Road, Futian District, Shenzhen
Legal Representative: Gao Tao
Customer Service Hotline: 95532
Website: www.china-invs.cn
- (43) Huafu Securities Co., Ltd.
Registered Address: 7-8/F, Xintiandi Plaza, No. 157 Wusi Road, Fuzhou
Office Address: 7-10/F, Xintiandi Plaza, No. 157 Wusi Road, Fuzhou
Legal Representative: Huang Jinlin
Customer Service Hotline: 0591-96326
Company Website: www.hfzq.com.cn
- (44) China International Capital Co., Ltd.
Registered Address: 27-28/F, Block 2, China World Trade Centre, No. 1 Jianguomenwai Street, Beijing
Office Address: 27-28/F, Block 2, China World Trade Centre, No. 1 Jianguomenwai Street, Beijing
Legal Representative: Jin Liquan
Company website: www.cicc.com.cn
Telephone Number: 021-58881690

- (45) Essence Securities Co., Ltd.
Registered Address: Unit A02, 28/F & 35/F, Anlian Mansion, No. 4018 Jintian Road, Futian District, Shenzhen
Office Address: Unit A02, 28/F & 35/F, Anlian Mansion, No. 4018 Jintian Road, Futian District, Shenzhen
Legal Representative: Wang Lianzhi
Customer Service Inquiry Telephone Number: 4008001001
Company Website: www.essence.com.cn
- (46) CEFC Shanghai Securities Limited
Registered Address: 9/F, World Finance Center, No. 100 Century Avenue, Pudong New Area, Shanghai
Legal Representative: Luo Hao
Customer Service Telephone Number: 68777877
Company Website: www.shhxzq.com
- (47) Changjiang Securities Co., Ltd.
Registered Address: Changjiang Security Building, No. T8 Xinhua Road, Wuhan
Legal Representative: You Xigui
Customer Service Telephone Number: 95579 or 4008-888-999
Customer Service Website of Changjiang Securities: www.95579.com
- (48) Founder Securities Co., Ltd.
Registered Address: 22-24/F, Huaqiao International Section No. 2, Middle Furong Road, Changsha, Hunan
Office Address: 22-24/F, Huaqiao International Section No. 2, Middle Furong Road, Changsha, Hunan
Legal Representative: Lei Jie
Customer Service Telephone No.: 95571
Website: www.foundersc.com
- (49) China Minzu Securities Co., Ltd.
Registered Address: No.5 Building, No.27, North Fourth Ring Road, Chaoyang District, Beijing
Office Address: 40-43/F, Pangu Plaza, North Fourth Ring Road, Chaoyang District, Beijing
Legal Representative: He Yagang
Customer Service Telephone Number: 40088-95618
Company Website: www.e5618.com
- (50) Ping An Securities Co., Ltd.
Registered Address: 16-20/F, Rongchao Building, No. 4036, Jintian Road, Futian DBC, Shenzhen
Office address: 16-20/F, Rongchao Building, No. 4036, Jintian Road, Futian DBC, Shenzhen (518048)
Legal Representative: Zhan Luyang
Customer Service Telephone Number: 95511-8
Website: <http://stock.pingan.com>
Contact person: Shi Jingwu

- (51) Donghai Securities Co., Ltd.
Registered Address: 18/F Investment Plaza, No. 23 Yanling Road West, Changzhou, Jiangsu
Office Address: Donghai Securities Building, No. 1928 Dongfang Road, Pudong New Area, Shanghai
Legal Representative: Zhao Jun
Customer Service Line: 95531; 4008888588
Company Website: www.longone.com.cn
- (52) NOAH UPRIGHT (Shanghai) Fund Sales Co., Ltd.
Registered Address: Room 3724, No. 9, Lane 360, Feihong Road, Hongkou District, Shanghai
Office Address: 2/F, Building C, No. 32 Qinhuangdao Road, Yangpu District, Shanghai
Legal Representative: Wang Jingbo
Customer Service Telephone Number: 400-821-5399
Company Website: www.noah-fund.com
- (53) Shanghai Changliang Fund Sales Investment Consultant Co., Ltd.
Registered Address: Room 220, Block 2, No. 526 Gaoxiang Road, Pudong New Area, Shanghai
Office Address: 16/F, Tower B, Yujing International, No. 555 Pudong Avenue, Pudong New Area, Shanghai
Legal Representative: Zhang Yuewei
Customer Service Telephone Number: 400-820-2899
Company Website: www.erichfund.com
- (54) Beijing Myfund Sales Co., Ltd.
Registered Address: No. 6 Anfu Street, Houshayu Town, Shunyi District, Beijing
Office Address: 6/F You Dian Xin Wen Da Sha, No. 15-1 Anyuan Road, Chaoyang District, Beijing
Legal Representative: Yan Zhenjie
Customer Service Telephone Number: 400-818-8000
Company Website: www.myfund.com
- (55) Shanghai Huaxia Wealth Investment Management Co., Ltd.
Domicile: Room 268, 2/F, Building 1, No. 687 East Daming Road, Hongkou District, Shanghai
Office Address: 8/F, Block B, Tongtai Building, No. 33 Financial Street, Xicheng District, Beijing
Legal Representative: Li Yimei
Customer Service Telephone Number: 400-817-5666
Fax: 010-88066552
- (56) Shanghai Wind Fund Sales Co., Ltd.
Domicile: Block B, 11/F, No. 33 Fushan Road, China (Shanghai) Pilot Free Trade Zone
Office Address: 11/F WIND Tower, No. 1500 Puming Road, Pudong New Area, Shanghai
Legal Representative: Wang Tingfu
Customer Service Telephone Number: 400-821-0203
Website: www.520fund.com.cn

- (57) Harvest Wealth Management Co., Ltd.
Domicile: Unit 5312-15, 53/F, Phase 2, Shanghai International Financial Center,
No. 8 Century Avenue, Pudong New District, Shanghai
Legal Representative: Zhao Xuejun
Customer Service Telephone Number: 400-021-8850
Website: www.harvestwm.cn
- (58) DBS Bank (China) Limited
Registered Address: Units 1301 and 1801, No.1318, Lujiazui Ring Road, Pudong
New Area, Shanghai
Legal Representative: Ge Ganniu
Inquiry Hotline: 400-820-8988
Website: www.dbs.com.cn
- (59) Citibank (China) Co., Ltd.
Registered Address: Unit 01A, Unit 02A and Unit 04 on Level 28, Unit 02 on
Level 29, Unit 01 on Level 30, Unit 01 and Unit 01B on Level 32, Unit 01 and
Unit 03 on Level 33, Unit 01 on Level 34, and Level 35, Main Building of
Citigroup Tower, No. 33 Huayuanshiqiao Road, Pudong New Area, Shanghai
Office Address: Unit 01A, Unit 02A and Unit 04 on Level 28, Unit 02 on Level
29, Unit 01 on Level 30, Unit 01 and Unit 01B on Level 32, Unit 01 and Unit 03
on Level 33, Unit 01 on Level 34, and Level 35, Main Building of Citigroup
Tower, No. 33 Huayuanshiqiao Road, Pudong New Area, Shanghai
Legal Representative: AU SIU LUEN
Customer Service Hotline: Individual Customer Service Center Telephone
Number: 800 8301 880
Company Website: www.citibank.com.cn
- (60) Standard Chartered Bank (China) Limited
Registered Address: Room 1 of 13/F , 16/F (actually 15/F), 17/F (actually 16/F),
Room 4 of 18/F (actually Room 4 of 17/F), 19/F (actually 18/F), Room 1 of 20/F
(actually Room 1 of 19/F), Rooms 1, 3, 4 of 21/F (actually Rooms 1, 3, 4 of 20/F),
23/F (actually 22/F), Rooms 2, 4 of 25/F (actually Rooms 2, 4 of 23/F), Room 2
of 27/F (actually Room 2 of 25/F), 28/F (actually 26/F), Standard Chartered Bank
Building, No. 201 Century Avenue, Pudong New Area, Shanghai
Legal Representative: Zhang Xiaolei
Customer Service Telephone Number: 4008888083
Website: <http://www.sc.com.cn>
- (61) Shanghai Howbuy Fund Investment Services Co., Ltd.
Registered Address: Room 449, Building No. 4, No. 37 of Lane 685, Changzhong
Road, Hongkou District, Shanghai
Office Address: Room 903-906, Erdos International Building, No. 1118 South
Pudong Road, Shanghai
Legal Representative: Yang Wenbin
Customer Service Telephone Number: 400-700-9665
Company Website: www.ehowbuy.com

- (62) Shenzhen Zhonglu Financial Holding Co., Ltd.
Registered Address: Units I, J, 25/F, Development Bank Building, No. 5047 Shennan East Road, Luohu District, Shenzhen
Office Address: Units I, J, 25/F Development Bank Building, No. 5047 Shennan East Road, Luohu District, Shenzhen
Legal Representative: Xue Feng
Customer Service Telephone Number: 4006-788-887
Company Website: www.zlfund.cn www.jjmmw.com
- (63) Ant (Hangzhou) Fund Sales Co., Ltd.
Registered Address: Room 599 5/F Building 3, No. 969 Wenyi Road West, Cangqian Street, Yuhang District, Hangzhou, Zhejiang Province
Office Address: 6/F, Building B, Huanglong Time Square, No. 18 Wantang Road, Xihu District, Hangzhou
Legal Representative: Zu Guoming
Customer Service Telephone Number: 400-0766-123
Company Website: www.fund123.cn
- (64) Shanghai Tiantian Fund Sales Co., Ltd.
Registered Address: 2/F, Building No. 2, No. 190 Longtian Road, Xuhui, Shanghai
Office Address: 9/F, Building No. 3C, No. 195 Longtian Road, Xuhui, Shanghai
Legal Representative: Qi Shi
Customer Service Telephone Number: 400-1818-188
Website: www.1234567.com.cn
- (65) Zhejiang Tonghuashun Fund Sales Co., Ltd.
Registered Address: Room 903, Yuanmao Building, No. 1 Wener West Road, Hangzhou, Zhejiang Province
Office Address: 2/F, Hangzhou E-commerce Industrial Park, No. 7 Cuibai Road, Hangzhou, Zhejiang Province
Legal Representative: Ling Shunping
Customer Service Telephone Number: 4008-773-772
Company Website: www.5ifund.com
- (66) Shanghai Lujinsuo Asset Management Co., Ltd.
Registered Address: Unit 09, 14/F, No. 1333 Lujiazui Ring Road, Pudong New Area, Shanghai
Office Address: 14/F, No. 1333 Lujiazui Ring Road, Pudong New Area, Shanghai
Legal Representative: Hu Xueqin
Customer Service Telephone Number: 400-821-9031
Website: www.lufunds.com
- (67) Beijing Hongdian Fund Sales Co., Ltd.
Registered Address: Room 222, 2/F, Podium Building, No. 2, Worker's Stadium North Road A, Chaoyang District, Beijing
Office Address: Room 222, 2/F, Podium Building, No. 2, Worker's Stadium North Road A, Chaoyang District, Beijing
Legal Representative: Zheng Yudong
Customer Service Telephone Number: 400-618-0707
Website: www.hongdianfund.com

- (68) Zhuhai Yingmi Wealth Management Limited
Registered Address: Room 105-3491, No. 6 Baohua Road, Hengqin New Area, Zhuhai
Office Address: 12/F, South Tower, Poly International Plaza, No. 1 Pazhou Road East, Haizhu District, Guangzhou
Legal Representative: Xiao Wen
Customer Service Telephone Number: 020-89629066
Website: www.yingmi.cn
- (69) Shenzhen Newland Securities Investment Consultants Co., Ltd
Registered Address: Room 1006, 10/F, Building 4, SEG Technology Park, Huaqiang North Road, Futian District, Shenzhen
Office Address: 16/F Fuzhuo Building, No. 28 Xuanwumenwai Street, Xicheng District, Beijing
Legal Representative: Ma Yong
Customer Service Telephone Number: 400-166-1188
Website: <http://8.jrj.com.cn/>
- (70) Beijing Sina Cangshi Fund Sales Co., Ltd.
Registered Address: Room 518, 5/F., Research Building, Sina Headquarters, Plot N-1, N-2, Zhongguancun Software Park Phase II, Wangsi Road, Northeastern part of Haidian District, Beijing
Office Address: Room 518, 5/F., Research Building, Sina Headquarters, Plot N-1, N-2, Zhongguancun Software Park Phase II, Wangsi Road, Northeastern part of Haidian District, Beijing
Legal Representative: Li Zhaochen
Customer Service Telephone Number: 010-62675369
Website: www.xincai.com
- (71) Beijing Kenterui Fund Sales Co., Ltd.
Registered Address: 401-15, 2/F., Haidiandongsan Street, Haidian District, Beijing
Office Address: Jingdong Group Headquarters, No.18 Kechuangshiyi Street, Yizhuang Economic Development Zone, Beijing
Legal Representative: Jiang Hui
Customer Service Telephone Number: 4000988511/4000888816
Website: <http://fund.jd.com/>
- (72) Zhongzheng Jinniu (Beijing) Investment Consulting Co., Ltd.
Registered Address: Rooms 2-45, Building No. 2, No. 1 Dongguantou, Fengtai District, Beijing
Office Address: 5/F, Building A, Global Finance & News Center, No. A1 Xuanwumen Wai Street, Xicheng District, Beijing
Legal Representative: Qian Haomin
Customer Service Telephone Number: 4008-909-998
Website: www.jnlc.com

- (73) iFAST Financial China Ltd.
Registered Address: Room 201, Block A, No. 1 Qianwan Road, Qianhai
Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen
(tenant of Shenzhen Qianhai Business Secretary Co., Ltd.)
Business Address: Room 1704 17/F Block A Aerospace Science and Technology
Plaza, Haide No. 3 Avenue, Nanshan District, Shenzhen
Legal Representative: Teo Wee Howe
Customer Service Telephone Number: 0755-89460500
Website: www.ifastps.com.cn

The Fund Manager may choose other qualified institutions to sell the Fund as an agent in accordance with the requirements of applicable laws and regulations and make announcements in a timely manner.

3. Hong Kong Representative of Class H Units

Name: JPMorgan Funds (Asia) Limited
Registered Address: 21/F Chater House, 8 Connaught Road Central, Hong Kong
Office Address: 21/F Chater House, 8 Connaught Road Central, Hong Kong
Telephone Number: (852) 2978 7788
Website: <https://www.jpmorganam.com.hk/JFAsset/web/promotionsFile/mrf/cn/index.html>

4. Sales agencies of Class H Units

As of January 27, 2019, China Construction Bank, Hang Seng Bank, Wing Lung Bank Limited, China CITIC Bank International Limited, Sun Hung Kai Investment Services Limited, Industrial and Commercial Bank of China (Asia) Limited, Bank of China (Hong Kong), Shanghai Commercial Bank Ltd, DBS Bank (Hong Kong) Limited, Noble Apex Advisors Ltd., Convoy Asset Management Limited, JPMorgan Funds (Asia) Limited and IFAST Financial (Hong Kong) Limited are the sales agencies to market Class H Units of CIFM China Sector Rotation Fund in Hong Kong.

(II) Fund Registrar:

China International Fund Management Co., Ltd. (As above)

(III) Law Firm and Handling Lawyer:

Name: Grandall Legal Group (Shanghai) Law Firm
Registered Address: 31/F, Nanzheng Building, No. 580, Nanjingxi Road, Shanghai
Person in Charge: Guan Jianjun
Contact Telephone Number: 021-5234 1668
Fax Number: 021-5234 1670
Handling Lawyer: Xuan Weihua

(IV) Accounting Firm:

Name: PricewaterhouseCoopers Zhong Tian LLP (Special general partnership)
Registered Address: 6/F, DBS Bank Tower, No. 1318 Lujiazui Ring Road, Pudong New Area, Shanghai, China
Office Address: 11/F PricewaterhouseCoopers Center, 2 Corporate Avenue, 202 Hu Bin Road, Huangpu District, Shanghai, China
Managing Partner: Li Dan
Telephone Number: (021) 23238888
Fax Number: (021) 23238800
Contact Person: Shen Zhaojie
Handling CPA: Xue Jing, Shen Zhaojie

VI. OFFERING OF THE FUND AND THE FUND CONTRACT TAKES EFFECT

Public offering of the Fund started on January 6, 2010 according to *Reply for Approving Offering of CIFM China Sector Rotation Fund* issued by China Securities Regulatory Commission (hereinafter abbreviated as “CSRC”) (document No. Zheng Jian Xu Ke [2009] No. 1382) and was completed successfully on January 22, 2010.

According to the capital verification made by PricewaterhouseCoopers, the effective net subscribed amount during the offering period was RMB 3,617,107,465.38, which corresponds to 3,617,107,465.38 fund units. The bank interest generated from the subscribed amount before the day of confirmation of Fund capital verification was RMB 311,806.20, which corresponds to 311,806.20 fund units.

Upon obtaining the approval of the China Securities Regulatory Commission, the Fund Contract of the Fund came into effect on January 28, 2010. The Fund is a contractual type open-end equity fund, with an indefinite duration.

According to the *Administrative Measures on the Operation of Publicly Offered Securities Investment Funds*, from July 21, 2015, the fund type in the name of the Fund was changed into mixed securities investment fund.

VII. SUBSCRIPTION, REDEMPTION AND SWITCHING OF FUND UNITS

(I) Places for Subscription and Redemption

The Subscription and Redemption of the Fund will be made through the Sales Institutions. The specific sales outlets will be listed in the Prospectus or other notices by the Fund Manager. The Fund Manager may change, add or reduce the number of Sales Agencies under different circumstances and may announce accordingly. If the Fund Manager or its designated Sales Agencies provide(s) the transaction service through telephone, fax or Internet, etc., the Investors may make Subscription and Redemption via the aforesaid manners, and the specific methods shall be announced by the Fund Manager separately.

(II) Dealing Day and Time for Subscription and Redemption

1. Dealing Day and Business Hours

Investors may process the Subscription and Redemption of fund units on a Dealing Day. The particular processing time is the trading hours on a normal trading day of Shanghai Stock Exchange and Shenzhen Stock Exchange, unless the Fund Manager has announced the suspension of Subscription and Redemption in accordance with the Laws and Regulations or the requirement from the CSRC or as the provisions in the Fund Contract. The specific business hours on a Dealing Day are set out in the Prospectus.

After the Fund Contract has taken effect, if there are new securities trading markets or any changes in the Trading Hours of securities exchanges or other extraordinary situations, the Fund Manager shall adjust the aforesaid Dealing Day and Business Hours according to the situations, but it shall make an announcement on the Designated Media according to the relevant provisions of *Measures on Information Disclosure* prior to the date of implementation.

2. Commencement Day and Business Hours of Subscription and Redemption

The Fund Manager shall commence to deal with Subscription within 3 months from the Effective Date of Fund Contract. The specific business hours shall be stated in the announcement on the commencement of Subscription.

The Fund Manager shall commence to deal with Redemption within 3 months from the Effective Date of Fund Contract. The specific business hours shall be stated in the announcement on the commencement of Redemption.

After the commencement time for Subscription and the commencement time for Redemption have been determined, the Fund Manager shall make an announcement about the commencement time for Subscription and Redemption on the Designated Media according to the relevant provisions of *Measures on Information Disclosure* prior to the Subscription and Redemption Dealing Day.

The Fund Manager shall not process the Subscription, Redemption or switching applications of the fund units on the date or at the time other than that stipulated in the Fund Contract. When Investors apply for Subscription, Redemption or switching on the date and or at the time other than that agreed in the Fund Contract, the prices for the Subscription and Redemption of the fund units are those prices for the Subscription and Redemption of the fund units on the following Dealing Day.

(III) Procedure of Subscription and Redemption

1. Application of Subscription and Redemption

The Investors shall, according to the procedure specified by the Sales Institutions, apply for Subscription or Redemption during the specific business hours of the Dealing Day.

The Investors shall have sufficient funds for Subscription according to the method specified by the Sales Institutions when they submit the application of Subscription. The Investors shall hold sufficient balance of the fund units when they submit the application of Redemption. Otherwise, the applications for Subscription and Redemption submitted will be invalid.

2. Confirmation of Application for Subscription and Redemption

The Fund Manager shall treat the day on which the applications for Subscription and Redemption are accepted before the end of trading hours as the application day of Subscription and Redemption (T Day). Under normal circumstances, Registrars shall confirm the validity of that transaction within T+1 Day. For the valid application submitted on T Day, the Investors may, after T+2 Day (inclusive), enquire about the status of confirmation of the application at the counters of Sales Outlets or through other methods specified by the Sales Institutions. The acceptance of the Subscription application by the Sales Institutions of the Fund does not indicate the application will necessarily be successful. Instead, it only indicates that the application is received by the Sales Institutions. The confirmation of the application shall be subject to the result of confirmation from the Registrars.

3. Payment for Subscription and Redemption

The payment for Subscription monies shall be made in full. If the Subscription monies are not paid in full within the specified time, the Subscription is deemed to be unsuccessful. If the Subscription is unsuccessful or invalid, the principal amount paid for the Subscription by an Investor shall be refunded by the Fund Manager or the Sales Agency designated by the Fund Manager to the Investor.

When Investor's application for Redemption is successful, the Fund Manager will pay the amount for Redemption within T+7 Day (inclusive). In case of Substantial Redemption, the payment shall be made according to the relevant provisions of the Fund Contract.

(IV) Amount of Subscription and Redemption

1. The minimum Subscription amount for a single transaction is RMB 1 (including the Subscription fee) for Class A Units, and RMB 100 (including the Subscription fee) for Class H Units of the Fund. The Fund Investors shall not be subject to the minimum Subscription amount when purchasing fund units by using the fund income currently distributed.

The Fund Investors may apply for multiple Subscriptions, unless otherwise provided by Laws and Regulations or the CSRC.

2. Fund investors may redeem their fund units in whole or in part. The Fund shall be redeemed in denomination of units, and the application of Redemption of redeemed units is calculated with an accuracy of two decimal places. The number of units for each Redemption shall be no less than 1 units for Class A Units and the balance of the Fund Account shall be no less than 1 units; and the number of units for each Redemption shall be no less than 100 units for Class H Units and the balance of the Fund Account shall be no less than 100 units. If the balance of fund units in the Fund Account will be lower than the minimum number of units after a Redemption, the Redemption shall be made in one time. If the balance of fund units in the account is lower than the minimum number of units due to dividend reinvestment, non-trading transfer, agency transfer, Substantial Redemption, Fund Switching etc., the above provision is not applicable. However, the Redemption of all units shall be made in one time in the next Redemption.
3. The Fund Manager may determine the maximum number of fund units accumulated and held by an individual investor. For specific provisions, please refer to the Prospectus which is updated regularly.
4. If accepting subscription applications may lead to a materially adverse effect on the interests of existing Unitholders, the Fund Manager shall take effective measures to protect existing Unitholders' legitimate rights and interests by setting an upper limit on the value of subscription of a single investor or single-day net subscription ratio, by rejecting large-sum subscriptions, or by suspending subscription transactions. Please refer to relevant announcements for further details.
5. The Fund Manager may, according to the market situation and to the extent permitted by Laws and Regulations, adjust the limit on Subscription amount and the limit on the number of units for Redemption as stated above. The Fund Manager must, prior to the adjustment, make an announcement on the Designated Media of CSRC according to the relevant provisions of *Measures on Information Disclosure* and report to the CSRC for filing.

(V) Subscription and Redemption Prices, Fees and their Purposes

1. Classes of Fund Units

The fund units are classified into different classes based on the sales location of the Fund and the fee rates of Subscription and Redemption.

The fund units for which sales are made only in Mainland China and Subscription fee and Redemption fee shall be charged are referred to as Class A Units. The fund units for which sales are made only in Hong Kong, China and Subscription fee and Redemption fee shall be charged are referred to as Class H Units. Different fund codes are assigned to Class A and Class H Units of the Fund, and their NAV per Fund Unit shall be announced separately.

Under the circumstances that there is no violation on the Laws and Regulations and provisions in the Fund Contract and no substantial and adverse impact on the interests of Unitholders, the Fund Manager may, based on actual operation of the Fund and after the appropriate procedures are carried out, suspend sales of a certain class of fund unit, or adjust the fee rate of a certain class of fund unit, or add a new class of fund unit. The Fund Manager shall make a public announcement on a timely basis and submit the case to CSRC for record prior to such adjustment, without the requirement of convening a Unitholders' meeting.

2. Calculation of Fund Subscription Units

$\text{Subscription Fee} = (\text{Subscription Amount} \times \text{Subscription Fee Rate}) / (1 + \text{Subscription Fee Rate})$

$\text{Net Subscription Amount} = \text{Subscription Amount} - \text{Subscription Fee}$

$\text{Subscription Units} = \text{Net Subscription Amount} / \text{NAV per Fund Unit on T Day}$

The Subscription Fee Rates of all classes of fund units are shown as follows:

The Subscription Fee Rates of Class A Units are shown as follows:

Range of Subscription Amount	Rate
Less than RMB 1 million	1.5%
Above RMB 1 million (inclusive), less than RMB 5 million	1.0%
Above RMB 5 million (inclusive)	RMB 1,000 per transaction

The Subscription Fee Rate of Class H Units shall not exceed 5% of the Subscription Amount.

3. Calculation of the Redemption Amount

The Redemption amount of the Fund is the amount resulting from deducting the Redemption fee from the Total Redemption Amount. Where:

$\text{Total Redemption amount} = \text{Redeemed Units} \times \text{NAV per Fund Unit on T Day}$

$\text{Redemption fee} = \text{Total Redemption amount} \times \text{Redemption fee rate}$

$\text{Redemption amount} = \text{Total Redemption amount} - \text{Redemption fee}$

The Redemption fee rates of all classes of fund units are shown as follows:

The Redemption fee rates of Class A Units are shown as follows:

Duration of Holding Fund Units	Rate
< 7 days	1.5%
≥7 days, <1 year	0.5%
≥ 1 year, <2 years	0.25%
≥ 2 years	0%

The Redemption Fee Rate of Class H Units shall not exceed 0.5% of the Redemption Amount of fund units.

4. Fund codes are assigned to Class A Units and Class H Units of the Fund respectively, and their NAV per Fund Unit on T Day shall be calculated after the closing of business hours on that day, and published within T+1 Day. Under special circumstances, the calculation or announcement may be postponed as appropriate upon the consent of the CSRC are obtained.
5. Method of handling the balance of Subscription units: The number of valid Subscription units is resulted from dividing the net Subscription amount by the NAV per Fund Unit on the same day and the valid units are expressed in unit. The above calculation result shall be rounded to the second decimal place. Any income or loss arising from such rounding shall be borne by the assets of the Fund.
6. Method of handling the Redemption amount: The Redemption amount is calculated by multiplying the number of valid units redeemed which are actually confirmed, with the NAV per Fund Unit on the same day and deducting corresponding fees. The Redemption amount is denominated in Yuan. The above calculation result shall be rounded to the second decimal place. Any income or loss arising from such rounding shall be charged to the assets of the Fund.
7. When calculating the NAV of the two classes of fund units of the Fund, the result shall be rounded from the fourth decimal place to the third decimal place. Any errors arising therefrom shall be charged to the assets of the Fund.
8. The Subscription fees of the Fund shall be borne by Investors and shall be charged when the Subscriptions of fund units are made by the Investors. Such Subscription fees shall not be credited to the assets of the Fund, and are primarily used to cover various fees incurred by the marketing, sales, registration, etc. of the Fund.

9. The Redemption fees shall be borne by the Unitholders who redeem the fund units and shall be charged when the Redemption of fund units is made by the Unitholder. The Fund will charge a redemption fee of no less than 1.5% on class-A investors who hold fund units for less than seven consecutive days. The full amount charged should be credited to assets under management. Moreover, 25% of the total redemption fees paid by class-A investors who hold fund units for seven consecutive days or more shall be credited to the assets of the Fund, and the remaining 75% shall be used to pay the registration fee and other necessary handling fees. All redemption fees paid by class-H investors shall be credited to the assets of the Fund.
10. The Subscription fee rate of the Fund shall not be more than 5% of the Subscription amount, and the Redemption fee rate shall not be more than 5% of the Redemption amount. The Subscription fee rates, the Redemption fee rates and the method of fee charging of the Fund are determined in accordance with the provisions of Fund Contract by the Fund Manager and are set out in the Prospectus. The Fund Manager may adjust the rate or method of fee charging within the scope specified in the Fund Contract, and shall make an announcement on the Designated Media of CSRC according to the relevant provisions of *Measures on Information Disclosure* at the latest 3 Business Days before the implementation date of new rate or method of fee charging.
11. The Fund Manager may establish fund promotion plan according to market condition without violation of the provisions of Laws and Regulations as well as the agreements in the Fund Contract, and conduct fund promotion activities which target to the Investors who make fund transactions through specific transaction channels (such as online transactions, telephone transactions, etc.) on a regular or irregular basis. During the period of fund promotion activities, the Fund Manager may, after performing the necessary formalities in accordance with the requirements of relevant regulatory authorities, reduce the Subscription fee rate of the Fund and the Redemption fee rate of the Fund appropriately.

(VI) Rejection or Suspension of Subscription

The Fund Manager may reject or suspend the acceptance of the Investor's application of Subscription in any of the following circumstances:

1. The Fund fails to operate normally due to Force Majeure.
2. The Fund Manager fails to calculate the NAV of the Fund for that day due to the abnormal closure of stock exchanges during the trading hours.
3. The occurrence of any situation relating to the suspension of valuation of the fund assets specified in the Fund Contract.
4. The size of fund assets is too large that the Fund Manager may fail to find any appropriate types of investment, or other circumstances that may bring negative effects to the Fund's performance and thus may harm the interests of the existing Unitholders.

5. A Fund Manager's acceptance of a certain subscription application may, intentionally or unintentionally, result in a given investor's proportion of units reaching or exceeding the 50% limit, or avoiding the 50% limit rule.
6. The Fund Manager, after consulting with the Fund Custodian, shall stop accepting subscription applications if there are no quoted active market prices that can serve as reference for assets accounting for more than 50% of the Fund's NAV on the previous valuation day, and the use of valuation techniques still leads to significant uncertainty in terms of their fair value.
7. The Fund Manager believes that the acceptance of a particular or several Subscriptions may harm the interests of existing Unitholders.
8. Other situations as stipulated by the provisions of Laws and Regulations or the CSRC.

If any of the above circumstances occurs and the Fund Manager decides to suspend Subscription, the Subscription monies will be returned to the Investors in full. If there is a suspension of Subscription as set out in the above items 1, 2, 3, 4, 6, 8, the Fund Manager shall publish the Subscription suspension announcement on at least one Designated Media and the Fund Manager's website. When there is no such circumstances of suspension of Subscription, the Fund Manager shall resume the Subscription business on a timely basis and make an announcement.

(VII) Suspension of Redemption or Deferral Payment of Redemption Monies

The Fund Manager may suspend the acceptance of Redemption applications of the Investors or defer the payment of Redemption monies in any of the following circumstances:

1. The Fund fails to operate normally due to Force Majeure.
2. The Fund Manager is unable to calculate the NAV of the Fund for that day due to the abnormal closure of stock exchanges during the business hours.
3. The occurrence of Substantial Redemption for two or more consecutive Dealing Days.
4. The occurrence of any situation relating to the suspension of valuation of the fund assets specified in the Fund Contract.
5. The Fund Manager, after consulting with the Fund Custodian, shall postpone issuing payments for redemption or suspend accepting redemption applications if there are no quoted prices in active markets that can serve as reference for assets that account for 50% or more of the NAV of the Fund on the previous valuation day and the use of valuation techniques still leads to significant uncertainty in term of their fair value.
6. Other situations as stipulated by the provisions of Laws and Regulations or the CSRC.

In the event of occurrence of the above circumstances, the Fund Manager shall report to the CSRC for record on the same day. For the Redemption applications that have already been accepted, the Fund Manager shall make full payment on schedule. If the full payment cannot be made for the time being, the Fund Manager may make payments to the applicants of Redemption proportionately according to the ratio of the amount of application made from a

single account to the total amount of applications. A deferral payment can be made on the outstanding portion, and the Redemption amount shall be calculated based on the NAV per Fund Unit of the subsequent Dealing Day. In the case there is a Substantial Redemption for two or more consecutive Dealing Days, the deferral of payment shall not exceed 20 Business Days and shall be announced on the Designated Media. When applying for Redemption, the Investors may choose in advance to withdraw the portion of Redemption that has not been accepted on that day. When there is no such circumstances of suspension of Redemption, the Fund Manager shall resume the Redemption business on a timely basis and shall make an announcement.

(VIII) Situation and Treatment of Substantial Redemption

1. Determination of Substantial Redemption

Within a single Dealing Day, if the net Redemption application of the fund units (i.e. the balance resulting from the total amount of units of Redemption application plus the total amount of units of switching-out in Fund switching, and minus the total amount of units of Subscription application and the total amount of units of switching-in in Fund switching) is more than 10% of the total fund units on the preceding day, it shall be deemed as a Substantial Redemption.

2. Treatment of Substantial Redemption

In case of Substantial Redemption, the Fund Manager may decide, based on the prevailing status of the asset portfolio of the Fund, to accept Redemption applications in full or to defer part of the Redemption applications.

- (1) Full Redemption: If the Fund Manager believes it is able to pay for all Redemption applications of the Investors, the Redemption shall be executed according to the normal Redemption procedure.
- (2) Partial Deferred Redemption: When the Fund Manager believes there are difficulties in the payment for Redemption applications of the Investors, or believes that the realisation of assets as a result of the payment for the Redemption applications of Investors may cause a relatively great fluctuation to the NAV of the Fund, the Fund Manager may defer the payment for the remaining Redemption applications, provided that Redemptions accepted on that day shall not be less than 10% of the total fund units on the preceding Business Day. For the Redemption applications on the day, the Fund Manager shall determine the units of Redemption to be accepted on that day based on the ratio of the amount of Redemption application made from a single account to the total amount of redemption applications. For the portion which is unable to be redeemed, the Investor may choose to defer or cancel the Redemption when submitting the application for Redemption. Where the Investor chooses to defer the Redemption, the fund units will be automatically carried forward to the next Dealing Day with continuous Redemption process, until all the fund units have been redeemed; where the Investor chooses to cancel the Redemption, the portion of Redemption application which has not been accepted on that day will be withdrawn. The deferred portion of any Redemption application will be processed together with the Redemption application on the next Dealing

Day without any priority and the amount of Redemption shall be calculated based on the NAV per Fund Unit of that the next Dealing Day, and so on and so forth until all fund units have been redeemed. If the Investor does not make any clear choice when submitting the application for Redemption, the portion that has not been redeemed by the Investor will be automatically treated as deferred Redemption.

- (3) If the substantial redemption occurs and the substantial redemption requested by a single investor exceeds 20% of the total number of fund units recorded on the previous fund trading day, the Fund Manager may postpone redemption of the portion in excess of 20% of the total number of fund units requested by such investor. Redemption of fund units held by the investor at or below the 20% cut-off point and redemptions requested by other investors on the same day will be processed according to the provisions in the preceding paragraphs. Refer to relevant announcements for further details.
- (4) **Suspended Redemption:** In case of Substantial Redemption for no less than two (inclusive) consecutive Dealing Days, the Fund Manager may suspend the acceptance of Redemption applications if necessary. Payment for the accepted Redemption applications may be deferred for at most 20 Business Days, and the Fund Manager shall make an announcement on the Designated Media.

3. **Announcement of Substantial Redemption**

In the case of the above Deferred Redemption and the deferral of acceptance, the Fund Manager shall, within 3 trading days, give a notice to the Unitholders to state the relevant treatment methods through mail, fax or other methods specified in the Prospectus, and make an announcement on the Designated Media at the same time.

(IX) **Announcement on Suspension of Subscription or Redemption and Announcement on Re-opening of Subscription or Redemption**

1. In the event of occurrence of the above circumstances of suspension of Subscription or Redemption, the Fund Manager shall immediately report to the CSRC for record on the same day and make an announcement for such suspension on the Designated Media within the prescribed period.
2. If the suspension lasts for one day, the Fund Manager shall make an announcement of the re-opening of Subscription or Redemption on the Designated Media on the day of re-opening, and shall publish the NAV per Fund Unit of the latest Dealing Day.
3. If the suspension lasts for more than one day but less than two weeks, the Fund Manager shall announce the re-opening of Subscription or Redemption on Designated Media two Dealing Days in advance, when the suspension concludes and the Subscription or Redemption are re-opened, and shall publish the NAV per Fund Unit of the last Dealing Day.

4. If the suspension lasts for more than two weeks, the Fund Manager shall announce the suspension at least once every two weeks during the suspension period. When the suspension concludes and the Fund Subscription or Redemption is re-opened, the Fund Manager shall consecutively publish the announcement of the re-opening of Subscription or Redemption on Designated Media two Dealing Days in advance, and shall publish the NAV per Fund Unit of the last Dealing Day.

(X) Switching of the Fund

The Fund Manager may, according to the relevant Laws and Regulations and the provisions of the Fund Contract, decide to launch the Switching business between the Fund and other funds under the management of the Fund Manager and of which the registration is made at the same Registrar. Certain Switching fees may be charged for Fund Switching. Relevant rules shall then be formulated and published by the Fund Manager according to the relevant Laws and Regulations and the provisions of the Fund Contract and shall be notified to the Fund Custodian and the relevant institutions in advance.

(XI) Non-trading Transfer of the Fund

Non-trading transfer of the Fund refers to the non-trading transfer accepted by the Registrars for inheritance, donation and judicial enforcement and other non-trading transfer recognised by the Registrars and in compliance with the Laws and Regulations. Regardless of any of the above-mentioned circumstances, the subject transferee must be the Investor who can hold the fund units of the Fund according to laws.

Inheritance refers to the situation where a Unitholder deceased and his/her fund units are inherited by the legal heir; donation refers to the situation where a Unitholder donates his/her legally held fund units to any charity funds or social groups; judicial enforcement refers to the situation where a judicial authority compulsorily transfers the fund units of a Unitholder to another natural person, legal person or other organisations according to a valid judicial document. To process the non-trading transfer, the relevant materials required by the Registrars must be provided, and those applications for non-trading transfer that satisfy the conditions will be dealt with according to the stipulation of Registrar. The Sales Institution which accepts the application of non-trading transfer can impose the transfer fees at the stipulated standard rate.

(XII) Agency Transfer of the Fund

Unitholders may carry out the agency transfer of fund units held between different Sales Institutions and the Sales Institutions of the Fund may charge an agency transfer fee at a rate according to the stipulated standards.

(XIII) Periodic Investment Plan

The Fund Manager can make the Periodic Investment Plan for the Investor and the specific rules are determined in the announcement or the updated Prospectus published at the scheduled time by Fund Manager. When making the Periodic Investment Plan, the Investor can decide the amount debited for each instalment by himself, and the debit amount for each instalment must not be less than the minimum Subscription amount of the Periodic Investment Plan stipulated in the related announcement or the updated Prospectus published by Fund Manager.

(XIV) Freezing and unfreezing of the Fund

The Registrars only accept the freezing and unfreezing of fund units as required by relevant authorities in the State in compliance with laws or the freezing and unfreezing fund units under other circumstances recognised by the Registrars and in compliance with the Laws and Regulations. If the Fund Accounts or fund units are frozen, the interests incurring from the frozen portion shall also be frozen.

VIII. INVESTMENTS OF THE FUND

(I) Investment Objectives

The Fund aims to, through capturing the pattern of correlations between assets rotation, industrial strategy and economic cycles, achieve long-term steady excess return of fund assets in an environment of changing prosperity by exploring opportunities in listed companies which demonstrates core competitive advantage in the dominant industries during cyclical economic fluctuations.

(II) Investment Scope

The Fund invests in financial instruments with good liquidity, including A-shares, treasury bonds, financial bonds, corporate bonds, notes of central bank, convertible bonds, warrants which are issued and listed in China according to laws and other financial instruments which are permitted for fund investment by the securities regulatory authorities of the state for securities investment. The asset allocation of the Fund's investment portfolio is: stock assets covers 60% – 95% of the Fund's assets; bonds, warrants, cash, money market instruments and other financial instruments which are permitted for fund investment by the securities regulatory authorities of the state covers 5% – 40% of the Fund's assets; among them, cash or government bonds with a maturity less than one year covers not less than 5% of NAV of the Fund. Cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable. The Fund will invest not less than 80% of the stock assets in stocks of the listed companies with core competitive advantages in the dominant industries.

For any investment categories that will be permitted for the Fund's investment by laws and regulations or the regulators in future, the Fund Manager can incorporate such investment categories into the investment scope of the Fund after fulfilling appropriate procedures.

If there are any changes to the above proportions required by relevant laws and regulations, upon the approval of the CSRC, the investment scope of the Fund will be adjusted accordingly and the proportions as adjusted shall prevail.

(III) Investment Concepts

In different stages of the economic development cycles, different industries are facing different development opportunities and challenges, which are reflected as the mid-term and long-term rotation of the industry investment income in the stock market. Different enterprises in various industries also face different investment opportunities. The Fund seeks to achieve stable investment returns by exploring the listed companies with core competitive advantages in the dominant industry in the fluctuations in the economic cycles.

(IV) Investment Strategies

International experiences indicate that the cycle rotation exists in the development of industries under the influence of fluctuations in macro economic cycles. Some industries can perform better in particular stages in the economic cycle and become dominant in such stages. It is reflected as the mid-term and long-term rotation of the industry investment income in the stock market. Different enterprises in various industries also face different investment opportunities. The Fund seeks to achieve stable excess returns over the various market environments by grasping the changes in economic cycles, relying on the comprehensive judgment of factors such as macro economy, industry policy, extent of industry prosperity and market fluctuation, adopting the combinations of top-down asset allocation strategies, industry allocation strategies and bottom-up stock selection strategies, and selecting individual stocks with core competitive advantages in the dominant industry.

1. Asset Allocation Strategies

For allocation of primary categories of assets of the Fund, a method combining the quantitative analysis and qualitative analysis will be adopted from a macroscopic level, and the primary categories of assets will be actively allocated by a comprehensive analysis of integrating macroeconomic environment, policy situation, extent of industry prosperity and securities market trends. The two key drivers affecting the assets income include fundamentals and liquidity. The fundamentals driver mainly refers to changes of factors, such as performance growth, interest rate environment and inflation expectation under the impact on economic cycle and inflation cycle; the liquidity driver mainly manifests as influences of changes in money market environment, specifically including movements in exchange rates and changes in liquidity structures, etc. With the relative changes of characteristics of risks and returns of various types of assets, the Fund shall adjust the investment proportion of stocks, bonds and money market instruments in a timely manner.

2. Industry Allocation Strategies

The Fund applies the “Investment Clock Theory”, whereby the Fund conducts an industry allocation based on macro economic cycle analysis, explores industries in the stages of prosperity recovery and prosperity rising in each stage of economic cycle, investigates the pattern of correlations between industry rotation and market fluctuation in the economic cycles, grasps the relative strong and weak relationship among the industries and the on-going cycles of dominant industries, increases the allocation in industries with higher expected yield, decreases and withdraws the allocation in industries with lower expected yield.

(1) Investment Clock Theory

The classic Investment Clock Theory is a method that links asset rotation and industry strategies with economic cycles. Based on various changes in production gap and inflation rate, the economic cycles shall be divided into four stages: recession, recovery, overheating and stagflation. The difference in sensitivity of different industries on macro economic fluctuation deduces the industry rotation under the economic cycles. The Investment Clock Theory provides a very practical instructional method: focus on defensive growth investments in the economic

recession; focus on cyclical growth investments in the economic recovery; focus on cyclical value investments in the economic overheating; focus on defensive value investments in the economic stagflation.

(2) Industry Classification

The Fund adopts the industry classification standard of TX Investment Consulting. The Fund may alter the industry classification standard according to the economic development and market changes upon the approval of the Investment Decision-making Committee of the Fund Manager.

(3) Evaluation System for Industry Investment Value

Based on fundamentals of the Investment Clock Theory, the Fund Manager has established the “Evaluation System for Industry Investment Value” in order to consider and examine the relative performances of the industries in different economic cycles. The “Evaluation System for Industry Investment Value” analyzes the investment value of industry mainly from the two perspectives of industry prosperity and valuation:

A. Judgment of industry prosperity

The long-term factors which influence the industry prosperity include economic cycles, life cycles of industry, upgrading of industry structure, upgrading of consumption structure, etc. The short-term factors include inflation and exchange rate, etc. Besides these factors, the Fund also makes its judgment on the industry prosperity based on some quantitative indicators, including leading indicator (investment growth rate) and lagging indicator (industry profit growth trend). If the investment growth rate starts to decrease and the industry profit growth rate keeps in a fast pace, it indicates that the peak of the industry prosperity will come soon; if the investment growth rate starts to decrease and the industry profit growth rate also starts to decrease, it indicates that the industry prosperity is in the downturn cycle; if the investment growth rate starts to increase and the industry profit growth rate starts to decrease, it indicates that the industry is at the bottom of the prosperity or near the bottom stage; if the investment growth rate starts to increase and the industry profit growth rate speeds up, it indicates that the industry is in the industry prosperity’s growth stage (see the table below).

Indicator performance	Investment growth rate decreases	Investment growth rate increases
Industry profit growth rate decreases	Prosperity in the depression stage	Prosperity in the bottom stage
Industry profit growth rate increases	Prosperity in the recession stage	Prosperity in the rising stage

The indicators for measuring the industry profit growth trend mainly include the core business income growth rate, core business profit growth rate, gross profit rate and net asset yield, etc. of the industry in the recent three years. Special attention should be paid to the trends of changes in key factors of industry segments, including throughput (port industry), rate of operation or price (petrochemical industry), sales-output ratio (auto industry), sales revenue/sales area (real estate industry) and market penetration rate (telecommunication industry), etc.

B. Valuation level: valuation level of industry trends

The valuation levels of various industries are investigated by using the overall valuation level of A-share as the benchmark and combining the comparison with international valuations. The primary investigation areas are the industry relative valuation level (industry valuation/average market valuation) and industry PEG (industry valuation/industry profit growth rate).

Based on the above evaluation system for industry investment value, the Fund Manager applies the Porter's Five Forces Analysis (a classic model for analyzing on industry attractiveness, competitiveness and corporate strategies) and assigns ratings to the investment values of all industries on a quarterly basis, and thus decides the investment weights of various industries. If the macro strategy team of the Fund Manager believes that there are sudden changes in the industry ratings in special circumstances such as issuing of major State policies, the industries' investment ratings can be temporarily adjusted.

(4) Principles for Industry Optimal Allocation

Prosperity	Valuation level	Investment ratings
Prosperity in the rising stage	Low valuation level	Grade A
Prosperity in the rising stage	High valuation level	Grade B
Prosperity in the bottom stage	Low valuation level	Grade C
Prosperity in the bottom stage	High valuation level	Grade D
Prosperity in the recession stage	High or low valuation level	Grade E
Prosperity in the depression stage	High or low valuation level	Grade F

For the industries with prosperity in the rising stage and low valuation level, their investment ratings are rated as Grade A and are allocated with focal and extra investment by the Fund. Their maximum allocation proportion can reach 80% of the stock assets. For the industries with prosperity in the rising stage but relatively high valuation level, their investment ratings are rated as Grade B and their maximum allocation proportion can reach 60% of the stock assets. The industries with prosperity in the bottom stage and lower valuation level are rated as Grade C, and they are the key industries that the Fund focuses on. Their maximum allocation proportion can reach 50% of the stock assets; the industries with prosperity in the bottom stage but high valuation level are rated as Grade D are allocated at low level or not allocated by the Fund. The industries with prosperity in the recession and depression stages are rated as Grade E and Grade F and they are not allocated in principle.

Meanwhile, the Fund will also grasp the industrial investment opportunities brought by factors such as the national policies, industry policies, industrial integration, market demand and technological advancement.

3. Stock Selection

The investment of the Fund focuses on the listed companies with maximum benefit level and core competitive advantages in dominant industries. The main evaluation criteria include:

- (1) The core business of the company has outstanding performance and core competitive advantages. The company is in the monopoly position or has unique competitive advantages in the industry or industry segments such as monopolistic resources advantage, leading business model, stable and sound sales network, famous market brands or innovative products, etc.
- (2) The company possesses the capability for sustainable growth and growth potential. In addition to investigation on quantitative indicators measuring the company's growth and profit quality such as the income growth, the profit growth rate, and the net assets yield of the core business of the company over the past two to three years, more attention are paid to exploring the future growth potential of the company, and an in-depth analysis is carried out on the company's internal driving factors for performance growth and on whether these performance driving factors are sustainable from the perspective of the company's commercial profit model.
- (3) The company has advantages in terms of valuation. Adopt corresponding valuation methods against different industrial characteristics with reference to international valuation levels, compare the company's valuation level with that of the whole industry and that of the overall market level, and choose the companies with dynamic valuation advantages.
- (4) The company has a sound corporate governance structure. Analyze the governance structure of the listed companies, the quality of their management and their competence for operation decision, and the efficiency of investment, etc., and judge whether the company has the ability to maintain long-term competitive advantages.

4. Fixed Income Investment Strategies

For the selection of fixed income assets, the Fund will take value analysis as the main line, and implement active portfolio management on the basis of comprehensive research, and carry out investment management mainly through two levels, namely category placement and bond selection.

On the level of category placement, combined with the comprehensive analysis of various factors including the macro economy, market interest rates, supply and demand of bonds, etc., as well as based on the characteristics of risks and returns of category assets in the stock exchange market and the interbank market, an optimised allocation and adjustment of category assets of the investment portfolio shall be carried out regularly, so as to determine the optimal weightings of category assets.

As for the selection of bond types, the Fund focuses on selecting bonds types with good liquidity, reasonable risk level, higher yield to maturity and credit quality, on the basis of analysis on the mid to long term interest rate trends, combined with factors such as economic trends, monetary policies and levels of yields, liquidity and credit risks of various types of bonds, liquidity and credit risk. Specific Strategies are:

- (1) Interest rate anticipation strategy: The Fund will first make an analysis on the trend of changes in market and investment environment, based on the forecast of domestic and foreign economic conditions, with a focus on the change in the trend of interest rate. Through comprehensive analysis on factors such as macro economy, monetary policy and fiscal policy, trend of changes in price levels, etc., reasonable expectations on interest rate movements could be achieved.
- (2) Valuation strategy: Establish various yield curve forecast models, and make use of these models to evaluate and ascertain the trend of movements in price centers. Based on yields, liquidity, risk matching principles as well as valuation principles of bonds, an investment portfolio shall be constructed with reasonable choices of bond types with investment value in different markets.
- (3) Duration management: The Fund shall endeavor to grasp the quantitative relationship between the duration and the price volatility of bonds, and based on the expectations of changes in interest rates in the future and focusing on the evaluation of duration and changes of yields, to achieve reasonable allocation of investment types through duration management.
- (4) Liquidity management: The Fund, by paying close attention to cash flow of Subscription and Redemption, seasonal liquidity, calendar effect, etc., establishes warning indicators of portfolio liquidity and achieves structural management of the Fund's assets, so as to ensure the overall liquidity of the Fund's assets.

5. Investment strategies for convertible bonds

Convertible Bonds (including bonds embedded with warrants) have characteristics of both the equity securities and the fixed income securities, along with the features of being able to resist the downside risk, and sharing the stock price gains. The selection of convertible bonds shall be combined with their characteristics of both bond and stock, and valuation analysis shall be carried out on the basis of in-depth study on company fundamentals and the terms of convertible bonds, thus investment shall be made in the convertible bonds with excellent company fundamentals, higher margin of safety and good liquidity, so as to obtain a stable investment return.

6. Investment strategies for warrants

Warrants are the ancillary investment instruments of the Fund, and the investment principle is conducive to the appreciation of the Fund's assets and is conducive to strengthen the risk control of the Fund. When the Fund invests in warrants, it will, through an in-depth study on the fundamentals of the underlying securities of warrants and by combining with warrants pricing model and its indicators such as implied volatility, seek a reasonable valuation level of the warrants and make a prudent investment, so as to pursue relatively stable current income.

(V) Performance Comparison Benchmark

CSI 300 Index Yield \times 80% + SSE Treasury Bond Index Yield \times 20%

(VI) Characteristics of Risks and Returns

The Fund is a mixed securities investment fund under active management and is a kind of securities investment fund with relatively higher risk. Its expected levels of risks and returns are higher than those of bond funds and money market funds and are lower than that of stock funds.

The risk-return characteristics of the Fund will be assessed regularly and published on the Company's website for investor concerns.

(VII) Investment Restrictions

1. Portfolio restrictions

The Fund considers both the investment principles and intrinsic characteristics of open-end funds in respect of its investment strategy. Diversified investments are used to reduce the non-systematic risks of the assets of the Fund and to maintain good liquidity of the fund portfolio. The investment portfolio of the Fund is subject to the following restrictions:

- (1) The market value of stocks of one listed company held by the Fund shall not be more than 10% of the NAV of the Fund;
- (2) The number of outstanding shares issued by a listed company held by all open-ended funds managed by the Fund Manager should not exceed 15% of the total number of outstanding shares issued by such listed company;

- (3) The number of outstanding shares issued by a listed company held by all portfolios managed by the Fund Manager should not exceed 30% of the total number of outstanding shares issued by such listed company;
- (4) The market value of all warrants held by the Fund shall not be more than 3% of the NAV of the Fund;
- (5) The securities issued by a company which are held by all funds under the management of the Fund Manager shall not be more than 10% of such securities;
- (6) The warrants held by all funds under the management of the Fund Manager shall not be more than 10% of such warrant;
- (7) The capital balance financed through the bonds repurchased by the Fund in the national interbank market shall not be more than 40% of the NAV of the Fund;
- (8) Stocks assets cover 60%-95% of the Fund's assets; while bonds, warrants, cash, money market instruments and other financial instruments permitted by the securities regulatory authority of the State for fund investment cover 5%-40% of the Fund's assets;
- (9) The Fund shall invest not less than 80% of the stock assets in the stocks of the listed companies with core competitive advantages in the dominant industry;
- (10) The proportion of various types of asset-backed securities of the same original holder invested in by the Fund shall not be more than 10% of the NAV of the Fund;
- (11) The market value of all the asset-backed securities held by the Fund shall not be more than 20% of the NAV of the Fund;
- (12) The proportion of the same (referring to the same credit rating) asset-backed securities held by the Fund shall not be more than 10% of the size of such asset-backed securities;
- (13) Various types of asset-backed securities of the same original holder invested in by all the funds under the management of the Fund Manager shall not be more than 10% of the aggregate size of its various types of asset-backed securities.
- (14) The Fund shall invest in the asset-backed securities with a credit rating of Grade BBB or above. During the period of the asset-backed securities being held by the Fund, if the credit rating thereof are downgraded and no longer meets the investment standard, all of the downgraded asset-backed securities shall be sold within 3 months from the date of rating report;
- (15) Where the assets of the Fund participates in the subscription for share issuance, the amount reported by the Fund shall not be more than the total assets of the Fund and the number of shares reported by the Fund shall not be more than the total number of shares to be issued by the share issuer for this issuance;

- (16) The total amount of warrants bought in by the Fund on any trading day shall not be more than 0.5% of the NAV of the Fund on the preceding trading day;
- (17) The Fund shall maintain cash or government bonds with maturity within one year at a level of not less than 5% of the NAV of the Fund. Cash does not include settlement provisions, guarantee deposits paid and subscription amounts receivable;
- (18) The market value of assets with trading restrictions in which the Fund invested should not exceed 15% of the Fund's NAV.

In the event that this investment limit is violated due to factors beyond the control of the Fund Manager, e.g. securities market fluctuations, trading suspension for shares in the listed company and changes in fund size, the Fund Manager shall not proactively increase investment in such assets with trading restrictions;

- (19) Where the Fund carries out a reverse repurchase as the counterparty to a private equity product or another entity recognised by the CSRC, the requirements on the collateral offered should be consistent with the investment scope in the Fund Contract;
- (20) In the event that the limits on the portfolio ratio agreed in the Fund Contract are changed by the Laws and Regulations, the amended ratio limit shall prevail. If the aforesaid limitations are cancelled by the Laws and Regulations or the regulatory authorities and such cancelled limitations are applicable to the Fund, the investment of the Fund shall no longer be subject to the relevant limitations.

If the investment proportion of the Fund does not comply with the above specified investment proportions due to the factors not attributable to the Fund Manager, such as fluctuation in securities market, merger of listed companies, change in fund size, etc., except items (14), (17), (18) and (19), the Fund Manager shall make adjustment within 10 trading days. Under the aforesaid special circumstances, the Fund Manager shall make adjustments according to the provisions of CSRC and relevant Laws and Regulations.

The Fund Manager shall enable the proportions of the investment portfolio of the Fund in compliance with that prescribed in the Fund Contract within 6 months from the Effective Date of Fund Contract. With the exception of investment assets allocation proportion, the Fund Custodian shall start supervising and inspecting the investment ratios of the Fund from the Effective Date of Fund Contract.

2. Prohibited Activities

In order to maintain the legitimate interests of the Unitholders, the assets of the Fund shall not engage in the following investments or activities:

- (1) Underwriting of securities;
- (2) Granting loans or providing guarantee to other parties;
- (3) Making investments which are subject to unlimited liabilities;
- (4) Purchasing or selling units of other funds, except as otherwise stipulated by the State Council;
- (5) Making contributions to the Fund Manager or Fund Custodian, or purchasing or selling its stocks or bonds issued by the Fund Manager or Fund Custodian;
- (6) Purchasing or selling securities issued by or underwritten within the underwriting period by the shareholders who have controlling relationship with the Fund Manager or Fund Custodian or by the companies which have material beneficial interests with the Fund Manager or Fund Custodian;
- (7) Engaging in insider dealing, manipulation of trading prices of securities and other improper securities dealing activities;
- (8) Other activities prohibited by the CSRC pursuant to the relevant provisions of the Laws and Regulations;
- (9) If the aforesaid limitations are cancelled by the Laws and Regulations or the regulatory authorities and such cancelled limitations are applicable to the Fund, the investment of the Fund shall no longer be subject to relevant limitations.

(VIII) Principles and Methods for the Fund Manager in the Exercise of Shareholders' Rights Creditors' Rights on Behalf of the Fund

1. The Fund Manager shall, according to the relevant regulations of the State, exercise the shareholders' rights and the creditors' rights independently on behalf of the Fund to protect the interests of the Unitholders;
2. Not seeking to controlling listed companies and not participating in the management of listed companies in which it has invested;
3. Beneficial to the safety and appreciation of the Fund's assets;
4. Not obtaining any undue benefits for itself, employees, authorised agents or any interested third parties by entering into any connected transactions.

(IX) Margin facility and securities borrowing of the Fund

The Fund may engage in margin facility and securities borrowing according to relevant Laws and Regulations of the State.

(X) Investment Portfolio Report of the Fund

1. Portfolio of the Fund's assets at the end of the reporting period

No.	Items	Amount (Yuan)	Proportion in the Total assets of the Fund (%)
1	Equity Investment	450,987,863.44	88.73
	Among which: Stocks	450,987,863.44	88.73
2	Fixed Income Investment	21,701,270.00	4.27
	Among which: Bonds	21,701,270.00	4.27
	Asset-backed Securities	—	—
3	Precious metals investment	—	—
4	Financial Derivatives Investment	—	—
5	Financial Assets Purchased under Agreement to Resell	—	—
	Among which: Buyout Repo of Financial Assets Purchased under Agreement to Resell	—	—
6	Aggregate of Bank Deposit and Settlement Provisions	34,661,055.61	6.82
7	Other assets	935,937.29	0.18
8	Total	508,286,126.34	100.00

2. Stock investment portfolio categorised by industries at the end of the reporting period

Code	Categories of Industry	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
A	Agriculture, Forestry, Livestock Husbandry and Fishery	8,503,157.50	1.68
B	Mining	—	—
C	Manufacturing	331,263,353.53	65.58
D	Electricity, Heating Power, Gas and Water Production and Supply	218,025.00	0.04
E	Construction	24,296,576.30	4.81
F	Wholesale and Retail	—	—
G	Transportation, Storage and the Post	—	—
H	Accommodation and Catering	—	—
I	Information Transmission, Software and Information Technology Services	39,842,500.97	7.89
J	Financial	5,065,485.80	1.00
K	Real Estate	20,733,256.94	4.10
L	Leasing and Commercial Services	17,342,897.60	3.43
M	Scientific Research and Technology Services	—	—
N	Water Conservancy, Environment and Administration of Public Utilities	—	—
O	Residential Services, Repair and Other Services	—	—
P	Education	—	—
Q	Hygiene and Social Affairs	3,722,609.80	0.74
R	Culture, Sport and Entertainment	—	—
S	Comprehensive	—	—
	Total	450,987,863.44	89.28

3. Breakdown of top 10 stock investments (in descending order) ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period

No.	Stock Code	Stock Name	Quantity (shares)	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
1	002821	Asymchem Inc.	410,563	27,856,699.55	5.51
2	002594	BYD Co., Ltd.	382,460	19,505,460.00	3.86
3	600276	Jiangsu Hengrui Medicine Co., Ltd.	366,104	19,311,986.00	3.82
4	601888	China International Travel Service Corp., Ltd.	288,088	17,342,897.60	3.43
5	000651	Gree Electric Appliances	471,315	16,821,232.35	3.33
6	000661	Changchun High & New Technology Co., Ltd.	94,939	16,614,325.00	3.29
7	600406	Nari Technology Development	878,827	16,284,664.31	3.22
8	601012	Longi Green Energy Technology	911,984	15,905,000.96	3.15
9	600309	Wanhua Chemical Group Co., Ltd.	525,135	14,698,528.65	2.91
10	600438	Tongwei	1,691,400	14,004,792.00	2.77

4. Bond investment portfolio categorised by bond types at the end of the reporting period

No.	Bond Types	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
1	Treasury Bonds	20,021,000.00	3.96
2	Notes of central bank	—	—
3	Financial Bonds	—	—
	Among which: Policy Bank Bonds	—	—
4	Corporate Bonds	—	—
5	Short-term Commercial Paper	—	—
6	Medium-term Notes	—	—
7	Convertible Bonds(Exchangeable bonds)	1,680,270.00	0.33
8	NCD	—	—
9	Others	—	—
10	Total	21,701,270.00	4.30

5. Breakdown of top 5 bond investments (in descending order) ranked in terms of fair value as a percentage of NAV of the Fund at the end of the reporting period

No.	Bond Code	Bond Name	Quantity (number of bonds)	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
1	019592	18 Treasury Bond 10	100,000	10,012,000.00	1.98
2	019600	18 Treasury Bond 18	100,000	10,009,000.00	1.98
3	110031	Aisino Convertible Bond	13,600	1,437,248.00	0.28
4	132010	17 Tongkun EB	2,040	200,022.00	0.04
5	110049	Haier Convertible Bond	430	43,000.00	0.01

6. Breakdown of top 10 asset-backed securities (in descending order) investment ranked in terms of fair value as a percentage in the NAV of Fund at the end of the reporting period

The Fund did not hold any asset-backed securities at the end of the reporting period.

7. Breakdown of top 5 precious metals (in descending order) investment ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period

The Fund did not hold any precious metals at the end of the reporting period.

8. Breakdown of top 5 warrants (in descending order) investment ranked in terms of fair value as a percentage in the NAV of the Fund at the end of the reporting period.

The Fund did not hold any warrants at the end of the reporting period

9. Description of the trades of stock index futures invested by the Fund at the end of the reporting period

The Fund did not hold any stock index futures at the end of the reporting period.

10. Descriptions of the trades of the treasury bond futures invested by the Fund at the end of the reporting period

The Fund did not hold any treasury bond futures at the end of the reporting period.

11. Notes to the investment portfolio report

- (1) During the reporting period, none of the issuers of the top 10 securities invested by the Fund was found to be under investigation by the regulatory authorities in the current period or being publicly condemned or punished within one year prior to the preparation date of the report.
- (2) During the reporting period, none of the top ten stocks invested by the Fund is outside of the scope of selected stock pool as stipulated in the Fund Contract.

(3) Composition of other assets

No.	Name	Amount (Yuan)
1	Guarantee Deposit and Margin Paid	426,124.61
2	Receivables of Securities Clearing	40,217.45
3	Dividends Receivable	—
4	Interest Receivable	314,363.82
5	Subscription Proceeds Receivable	155,231.41
6	Other Receivables	—
7	Deferred Charges	—
8	Others	—
9	Total	935,937.29

(4) Breakdown of convertible bonds in conversion period held at the end of the reporting period

No.	Bond Code	Bond Name	Fair Value (Yuan)	Proportion in NAV of the Fund (%)
1	110031	Aisino Transferable Bond	1,437,248.00	0.28
2	132010	17 Tongkun EB	200,022.00	0.04

(5) Description of restricted circulation of top 10 stocks at the end of the reporting period

None of the top 10 stocks held by the Fund were subject to circulation restrictions as of the end of the reporting period.

(6) Other written description of the notes the investment portfolio report

In the portfolio report, there may be some differences between the sum of sub-items and the total amount due to rounding.

IX. PERFORMANCE OF THE FUND

The Fund Manager shall manage and utilise the fund assets with due diligence, honesty, good faith and prudence, but shall not guarantee any profits or minimum returns of the Fund. The Fund's past performance is not indicative of its future performance. Investment involves risks. Investors should read the Prospectus carefully before making investment decisions.

CIFM China Sector Rotation Fund Class A:

Phase	Growth rate of NAV①	Standard deviation of growth rate of NAV②	Benchmark yield performance③	Standard deviation of benchmark yield performance④	①—③	②—④
2010/01/28-2010/12/31	1.60%	1.15%	-1.15%	1.27%	2.75%	-0.12%
2011/01/01-2011/12/31	-24.51%	1.10%	-19.20%	1.04%	-5.31%	0.06%
2012/01/01-2012/12/31	13.69%	1.14%	6.71%	1.02%	6.98%	0.12%
2013/01/01-2013/12/31	45.18%	1.36%	-5.57%	1.11%	50.75%	0.25%
2014/01/01-2014/12/31	10.66%	1.19%	42.21%	0.97%	-31.55%	0.22%
2015/01/01-2015/12/31	60.03%	3.10%	5.68%	1.99%	54.35%	1.11%
2016/01/01-2016/12/31	-25.20%	1.94%	-8.35%	1.12%	-16.85%	0.82%
2017/01/01-2017/12/31	30.87%	1.28%	17.55%	0.51%	13.32%	0.77%
2018/01/01-2018/12/31	-32.45%	1.67%	-19.12%	1.07%	-13.33%	0.60%

CIFM China Sector Rotation Fund Class H:

Phase	Growth rate of NAV①	Standard deviation of growth rate of NAV②	Benchmark yield performance③	Standard deviation of benchmark yield performance④	①—③	②—④
2016/01/26-2016/12/31	-4.64%	1.67%	5.22%	0.93%	-9.86%	0.74%
2017/01/01-2017/12/31	31.03%	1.28%	17.55%	0.51%	13.48%	0.77%
2018/01/01-2018/12/31	-32.44%	1.67%	-19.12%	1.07%	-13.32%	0.60%

X. ASSETS OF THE FUND

(I) Total Asset Value of the Fund

Total Asset Value of the Fund includes the total value of all marketable securities, the principal and interest of the bank deposits, subscription amount receivable of the Fund and other assets possessed by the Fund.

(II) Net Asset Value (NAV) of the Fund

The NAV of the Fund is calculated by deducting the liabilities from the Total Asset Value of the Fund.

(III) Account of the assets of the Fund

In respect of the assets of the Fund, a bank deposit account shall be opened under the name of the Fund. A settlement reserve account for the settlement funds of securities trading shall be opened under the name of the Fund Custodian. A securities account shall be opened under the joint name of the Fund Custodian and the Fund. An interbank bond custody account shall be opened under the name of the Fund. The accounts opened specifically for the Fund shall be separated from the respective proprietary accounts of the Fund Manager, the Fund Custodian, the Fund distributor and the Registrar, as well as accounts of other funds asset accounts.

(IV) Disposal of assets of the Fund

The assets of the Fund are segregated from the assets owned by the Fund Manager, the Fund Custodian and the Sales Agencies, and is under custody of the Fund Custodian. All the assets and revenue received from the Fund's management, operation or otherwise by the Fund Manager and the Fund Custodian shall belong to the assets of the Fund. The Fund Manager and the Fund Custodian may charge the management fee, custody fee and other fees as provided by the Fund Contract. The claims of the assets of the Fund shall not offset the debts of the Fund Manager and the Fund Custodian's own assets, and the claims and debts of different assets of the Fund shall not offset with each other. The Fund Manager and the Fund Custodian bear their own legal liability with their own assets; their creditors may not request freezing or detaining the assets of the Fund or exercise other rights against the assets of the Fund.

In the event that the Fund Manager or the Fund Custodian is under liquidation because of lawful dissolution, being legally revoked or declared bankruptcy, the assets of the Fund do not belong to the liquidation assets.

The assets of the Fund shall not be disposed of, unless otherwise provided in the *Funds Law*, the Fund Contract or other relevant regulations. Debts not borne by the assets of the Fund itself shall not be enforced against the assets of the Fund.

XI. VALUATION OF FUND ASSETS

(I) Valuation Day

The Valuation Day of the Fund refers to a normal business day of any securities exchange related to the Fund and a non-business day on which the NAV of the Fund is required to be disclosed in accordance with the Laws and Regulations of the State and the practices in the industry.

(II) Valuation Methods

1. Valuation of marketable securities which are listed on the exchanges

- (1) The marketable securities (including equities and warrants) which are listed on exchanges shall be valued at the market prices (closing prices) quoted on stock exchanges on the valuation day. In case there is no trading on the valuation day and no material changes on the economic environment upon the latest trading day, such securities shall be valued at the market prices (closing prices) on the latest trading day. If there are material changes on the economic environment upon the latest trading day, the latest trading market prices may be adjusted and the fair prices may be determined with reference to the prevailing market prices and material changes of similar types of investment;
- (2) The fixed-income products which are listed or quoted for transfer on the exchanges shall be valued at the net value of products of corresponding types provided by third-party valuation agencies on the Valuation Day. The specific valuation agency shall otherwise be agreed by the Fund Manager and the Fund Custodian after negotiation.
- (3) The fixed-income products which are listed but have not traded at net prices shall be valued at the net prices calculated by deducting the interest receivable on the fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the Valuation Day. In case there is no trading on the Valuation Day and no material changes on the economic environment after the latest trading day, the valuation shall be made at the net prices calculated by deducting the interest receivable on fixed-income products included in the closing prices of fixed-income products from the closing prices of the fixed-income products on the latest trading day. If there are material changes on the economic environment upon the latest trading day, the latest trading market prices may be adjusted and the fair prices may be determined with reference to the prevailing market prices and material changes of similar types of investment;
- (4) The marketable securities that are listed on the exchanges and have no active market shall be valued at a fair value determined by the valuation techniques. The asset-backed securities that are listed on the exchanges shall be valued at a fair value determined by the valuation techniques. In the event that it is difficult to calculate the fair value by valuation techniques in a reliable manner, such securities shall be valued at cost.

2. Marketable securities before listing shall be treated separately as follows:
 - (1) New stocks that are issued through bonus issue, transfer of reserve to capitalisation issue, right issue and secondary public offering of new shares shall be valued at the market price (closing price) of the same stock quoted on the stock exchanges on the valuation day, or shall be valued at the market price (closing price) on the latest trading day in case there is no trading on the valuation day;
 - (2) In case of unlisted stocks, bonds and warrants that are initially issued, valuation techniques shall be adopted to determine the fair value. In the event that it is difficult to calculate the fair value by valuation techniques in a reliable manner, they shall be valued at cost;
 - (3) The stocks that are initially offered with a definite locked-in period and those that are not publicly offered with a definite locked-in period are valued at a fair value determined in accordance with the relevant provisions of the regulatory authorities or industry associations.
3. The fixed income securities, such as bonds and asset-backed securities that are traded on the national interbank bond market, shall be valued at a fair value determined by the valuation techniques.
4. Where the same bonds are traded on two or more markets at the same time, they shall be valued respectively at the market where they are traded.
5. If there is sufficient evidence proving that the above-mentioned valuation methods are unable to objectively reflect the fair value, the Fund Manager may, pursuant to the specific circumstances and upon consultations with the Fund Custodian, conduct a valuation at a price which could better reflect the fair value.
6. Where mandatory provisions are stipulated in the Laws and Regulations and by the regulatory authorities, such provisions shall be observed. If there are any new clauses, the valuation shall be made pursuant to the latest provisions of the State.

If the Fund Manager or the Fund Custodian discovers that the valuation of the Fund is in breach of the valuation methods and procedures as set out in the Fund Contract and the provisions in relevant Laws and Regulations or fails to provide sufficient protection to the interests of the Unitholders, the other party shall be informed immediately and both parties shall jointly investigate the reasons and shall negotiate for settlement.

In accordance with the relevant Laws and Regulations, the Fund Manager shall be responsible for the calculation of the NAV of the Fund and the accounting and auditing of the Fund. The Fund Manager shall be responsible for the Fund's accounting. Therefore, with regard to the accounting issues related to the Fund, if the parties involved fail to reach a consensus after full discussions on the principle of equality, the calculation result of the NAV of the Fund made by the Fund Manager shall be published.

(III) Valuation Objects

Assets such as stocks, warrants, bonds, principal and interest of bank deposits, receivables and other investments possessed by the Fund.

(IV) Valuation Procedures

1. The NAV per Fund Unit shall be calculated by dividing the NAV of the Fund after the closing on each Business Day by the balance of fund units on the same day. The NAV per Fund Unit shall be calculated with precision up to 0.001 Yuan and be rounded to the third decimal place. Whereas there are provisions otherwise provided by the State, such provisions shall be observed.

The NAV of the Fund and the NAV per Fund Unit shall be calculated on each Business Day and shall be published as stipulated.

2. The Fund Manager shall conduct valuation of the fund assets on each Business Day. The Fund Manager shall, after the valuation of fund assets on each Valuation Day, send the result of the NAV per Fund Unit to the Fund Custodian, and the result shall be published by the Fund Manager after the result is verified as containing no errors by the Fund Custodian. The review on the month-end, half-year-end and year-end valuations shall be conducted simultaneously with the checking of fund accounting records.

(V) Handling of Valuation Errors

The Fund Manager and the Fund Custodian shall take necessary, appropriate and reasonable measures to ensure the accuracy and timeliness of the Valuation of Fund Assets. The errors within four decimal places (including the third place) in the NAV per Fund Unit shall be considered as the errors in the NAV per Fund Unit. Where there is an error within the third decimal place (inclusive) of the NAV per Fund Unit, such error shall be deemed as an error of the NAV per Fund Unit.

The Parties to the Fund Contract shall comply with the following agreed provisions:

1. Types of Errors

In the course of operation of the Fund, if the Fund Manager, Fund Custodian, Registrars, Sales Agencies or Investor make an error due to their own fault and cause any loss to other parties, the responsible party for the error shall be liable for and indemnify the party involved ("Impaired Party") for the direct losses incurred by such error based on the following "Error Handling Principles".

The main types of the aforesaid errors include but are not limited to errors in declaration of information, errors in data transmission, errors in data calculation, errors from system failure and errors in placing instructions; errors arisen from technical reasons that cannot be foreseen, avoided or defied at the existing technical level of the industry shall be considered as Force Majeure and shall be treated pursuant to the following provisions.

Where any event of Force Majeure results in the loss or false treatment of the Investor's trading information or other errors, the party who makes errors due to Force Majeure shall not be liable to indemnify other parties, provided that the party who obtains improper gains due to such errors shall remain be liable to return the improper gains.

2. Error Handling Principles

- (1) When there is an error which has not caused any loss to the parties yet, the responsible party for the error shall timely coordinate other parties to make corrections in time, and the fees incurred in the process of correction shall be borne by the responsible party for the error. If any party suffers a loss due to the responsible party for the error fails to correct the errors incurred in time, the liability for the direct losses shall be borne by the responsible party for the error. If the responsible party for the error has made active coordination and the party with the obligation for assistance has enough time to make a correction but fails to do so, this party shall be liable for the corresponding compensation. The responsible party for the error shall confirm the corrections with the parties involved and shall ensure the errors have been corrected;
- (2) The responsible party for the error shall be liable for the direct losses rather than indirect losses of the parties involved, and shall be liable to the direct parties involved of the errors rather than the third parties.
- (3) The party who obtains improper gains due to errors shall be obliged to return the improper gains. However, the responsible party for the error shall remain be liable for the errors. If the party which obtains the improper gains does not return the improper gains in whole or in part and therefore incurring any loss of interests to other parties (“Impaired Party”), the responsible party for the error shall compensate the loss of the Impaired Party and shall be entitled to request the party who has obtained the improper gains to return the improper gains to the extent of the compensation amount paid by the responsible party for the error. If the party who obtains the unjust gains has returned this portion of improper gains to the Impaired Party, the Impaired Party shall return to the responsible party for the error the exceeding amount which results from deducting its actual losses from the sum of the compensation amount received and the improper gains;
- (4) The errors shall be adjusted to the correct situation as if the errors had not occurred;
- (5) Where the responsible party for the error refuses to make compensation, the Fund Custodian shall claim the Fund Manager for the interests of the Fund if the loss of assets of the Fund is attributable to the Fund Manager’s fault, or the Fund Manager shall claim the Fund Custodian for the interests of the Fund if the loss of assets of the Fund is attributable to the Fund Custodian’s fault. Where a third party other than the Fund Manager and the Fund Custodian causes the loss of assets of the Fund and refuses to make compensation, the Fund Manager shall be liable to claim the responsible party for the error. The expenses incurred during the compensation recovery process shall be included in the expenses of the Fund and paid out of the Fund’s assets.

- (6) Where the party making errors does not compensate the Impaired Party in accordance with relevant provisions and, pursuant to Laws and Regulations, the Fund Contract or other provisions, the Fund Manager shall indemnify the Impaired Party on its own or in accordance with the judgment and arbitral award from the court, the Fund Manager is entitled to claim the responsible parties who have made mistakes and is entitled to require such party to indemnify or compensate the Fund Manager for the fees and the direct losses incurred thereby.
- (7) The errors shall be handled based on other principles as provided by Laws and Regulations.

3. Error Handling Procedures

After the errors are identified, the concerned parties shall handle such errors in a timely manner according to the following procedures:

- (1) Identify the reasons for the errors, list all the parties and determine which party is responsible for the error according to such reasons;
- (2) Evaluate the losses incurred by the errors according to Error Handling Principles or in the manner as agreed by the concerned parties;
- (3) The responsible party for the error shall make corrections and compensate for losses according to Error Handling Principles or in the manner as agreed by the concerned parties;
- (4) Where the trading data of the Fund at the Registrars is required to be modified according to the methods for error handling, the Registrars shall make corrections and confirm the same with the concerned parties.

4. The Principles and Methods of Handling Errors of the NAV per Fund Unit are as follows:

- (1) When there are errors in the calculation of the NAV per Fund Unit, the Fund Manager shall make correction immediately, notify the Fund Custodian and take reasonable measures to prevent further losses.
- (2) If the error deviation reaches 0.25% of the NAV per Fund Unit, the Fund Manager shall notify the Fund Custodian and report to the CSRC for record. If the error deviation reaches 0.5% of the NAV per Fund Unit, the Fund Manager shall make an announcement.
- (3) Where any loss of the Fund or the Unitholder is caused by any calculation error of the NAV per Fund Unit, the Fund Manager shall make compensation first and have the right to claim other concerned parties according to the error situation.
- (4) Where any rounding difference in the net value is incurred by different settings of the respective technical systems of the Fund Manager and the Fund Custodian, the calculation results of the Fund Manager shall prevail.
- (5) If the above context is otherwise provided by Laws and Regulations or the regulators, such provisions shall be observed.

(VI) Circumstances of Suspension of Valuation

1. The stock exchange market relating to the Fund's investment is closed of business because of festive holidays or other reasons;
2. The Fund Manager or the Fund Custodian cannot accurately evaluate the value the fund assets due to Force Majeure or other circumstances;
3. There is a significant change in the valuation of a type of investment that accounts for a substantial proportion of the Fund, and the Fund Manager has decided to defer the valuation in order to protect the interests of Investors. The occurrences of some conditions which the Fund Manager believes are emergency matters that may cause the Fund Manager to be unable to sell or evaluate the fund assets;
4. The Fund Manager, after consulting with the Fund Custodian, shall suspend NAV valuation if there are no quoted active market prices that can serve as reference for assets accounting for more than 50% of the Fund's NAV on the previous valuation day, and the use of valuation techniques still leads to significant uncertainty in terms of their fair value;
5. Other circumstances stipulated by Laws and Regulations, the CSRC and the Fund Contract.

(VII) Confirmation of Net Value of the Fund

The NAV of the Fund and the NAV per Fund Unit which are used for the Fund's information disclosure are calculated by the Fund Manager and reviewed by the Fund Custodian. The Fund Manager shall send the NAV of the Fund on the calculation day or the non-Business Day on which the net value of the Fund shall be disclosed as required by the provisions of Laws and Regulations of the State to the Fund Custodian after the closure of trading on each Dealing Day. The Fund Custodian shall send the calculation result of the net asset which has been reviewed and confirmed to the Fund Manager, and the Fund Manager shall publish the net value of the Fund.

(VIII) Treatment of Extraordinary Circumstances

1. Where the Fund Manager or the Fund Custodian conducts the valuation in accordance with Item (5) under Valuation Methods, the valuation errors shall not be regarded as valuation errors in respect of the Fund assets.
2. Due to events of Force Majeure or the errors in the data transmitted by the stock exchanges and the registration and clearing companies or changes in the accounting policies of the State or changes in regulations in the market, although the Fund Manager and the Fund Custodian have taken necessary, appropriate and reasonable measures to check, no error has been found and the Fund Manager and the Fund Custodian shall be exempted from the liability for the compensation on the valuation errors of fund assets thereto. However, the Fund Manager should actively take the necessary measures to eliminate the impact of such errors.

XII. FUND INCOME AND DISTRIBUTION

(I) Composition of the Fund Income

The Fund Income refers to profit of the Fund, including balance of bonus, dividend, bond interest, securities investment income, fair value variation during the holding of securities, bank deposit interest, and other incomes after relevant fees are deducted.

(II) Fund Profit Available for Distribution at the End of the Term

The fund profit available for distribution at the end of the term refers to the undistributed profit of the Fund or and the realised income in the undistributed profit (whichever is lower) on the benchmark date of income distribution.

(III) Principles of Income Distribution

The following principles shall be followed in distribution of Fund Income:

1. Each fund unit of same class in the Fund shall have the same rights for income distribution;
2. The Fund Income can be distributed no more than four times a year and the percentage of Fund Income distribution at a time shall not be lower than 40% of the distributable income. Income distribution is not a must within the first three months during the valid term of the Fund Contract;
3. There are two distribution methods for Fund Income: cash dividends and dividend reinvestment, and the Investors may choose to receive cash dividends or automatically convert the cash dividends into the fund units for reinvestment; if the Investors do not make a choice, the Fund will distribute cash dividends by default.
4. The value attained by subtracting the amount of income distribution of the fund unit from the NAV of each category of fund unit on the benchmark date shall not be less than its par value.
5. The bonus distribution of the Fund shall not exceed 15 Business Days from the benchmark date of income distribution (namely the deadline for calculating the distributable profit).
6. Relevant laws and regulations or rules of the regulatory authorities which provide otherwise shall prevail.
7. The bank transfer fees or other service charges incurred in the case of income distribution shall be borne by the Investors. Whereas the cash dividends received by an Investor is lower than a certain amount and is insufficient to pay for the bank transfer fee or other service fees, the Fund Registrar may automatically convert the cash dividends of the Investor into fund units at the Fund Unit NAV on the ex-dividend day.

If otherwise stated in relevant laws or regulations or by the regulatory authorities, the Fund Manager shall, after completing the corresponding procedures, adjust the above Fund Income distribution policy.

(IV) Distribution Plan of Fund Income

The distribution plan of Fund Income shall state clearly the details on the distributable profit at term end of the Fund, distribution targets, distribution principles, distribution time, distribution amount and proportion, distribution methods, and payment methods.

(V) Time and Procedures of Income Distribution

1. The distribution plan of Fund Income shall be drafted by the Fund Manager and verified and confirmed by the Fund Custodian, and be published on the Designated Media in accordance with the related provisions of the *Measures on Information Disclosure* and reported to the CSRC for record;
2. After the distribution plan of Fund Income is released, the Fund Manager shall, pursuant to the provisions of the plan, send a payment order of cash dividends to the Fund Custodian, and the Fund Custodian shall pay for the dividends in a timely manner pursuant to the order of the Fund Manager.

XIII. EXPENSES AND TAXES OF THE FUND

(I) Types of expenses of the Fund

1. Management fees payable to the Fund Manager;
2. Custody fees payable to the Fund Custodian;
3. Bank charges for transfer and payment of the assets of the Fund;
4. Information disclosure expenses payable upon the Fund Contract takes effect;
5. Expenses of the Unitholders' meetings;
6. Accountant fees and legal fees related to the Fund upon the Fund Contract takes effect;
7. Expenses arising from trading of securities;
8. Subject to the requirement and permission from the CSRC, the sales service fees of the Fund may be accrued out of the assets of the Fund. The specific accrual method and accrual standard shall be specified in the Prospectus or the relevant announcement;
9. Other fees payable out of the assets of the Fund pursuant to the relevant laws.

- (II) The aforesaid expenses of the Fund shall be determined by the Fund Manager at the fair market price to the extent as stipulated by the Laws and Regulations. If the provisions are otherwise stipulated by the Laws and Regulations and the Fund Contract, such provisions shall be observed.

(III) Accrual methods, accrual standards, and payment methods of the expenses of the Fund

1. Management fees payable to the Fund Manager

In general, the management fee shall be accrued at the rate of 1.5% per annum of the NAV of the Fund on the preceding day. The calculation method is as follows:

$$H = E \times 1.5\% \div \text{number of days in the current year}$$

H is the management fee accrued every day

E is the NAV of the Fund on the preceding day

The management fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's management fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Manager from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

2. Custody fees payable to the Fund Custodian

In general, the custody fee shall be accrued at the rate of 0.25% per annum of the NAV of the Fund on the preceding day. The calculation method is as follows:

$$H = E \times 0.25\% \div \text{number of days in the current year}$$

H is the custody fee accrued every day

E is the NAV of the Fund on the preceding day

The custody fee is accrued daily and is payable monthly. The Fund Manager will send the payment order for the Fund's custody fee to the Fund Custodian, and the Fund Custodian will check and make a lump-sum payment to the Fund Custodian from the fund assets within 3 Business Days from the first day of next month. In case of statutory festive holidays or a day off, the date of payment shall be postponed.

3. Apart from the management fee and the custody fee, the expenses of the Fund shall be paid by the Fund Custodian pursuant to other related regulations and the provisions in the corresponding agreements, and such fees shall be paid as out-of-pocket expenses and shall be included or apportioned in the current expenses of the Fund.

(IV) Items not included in the expenses of the Fund

The expenses or the losses of the fund assets incurred due to the Fund Manager or the Fund Custodian fails to perform or fails to fully perform their obligations, and the expenses incurred when dealing with the matters not related to the Fund's operations, shall not be included in the expenses of by the Fund. Information disclosure expenses, accounting fees, legal fees and other expenses incurred before the Fund Contract takes effect shall not be paid out of the assets of the Fund.

(V) The Fund Manager and the Fund Custodian may adjust the fund management fee rate and the fund custody fee rate according to the development situations of the Fund. The Fund Manager shall make an announcement on the Designated Media no later than 2 days prior to the implementation date of new fee rate.

(VI) Taxes of the Fund

The Fund and the Unitholders shall perform the tax obligation pursuant to the Laws and Regulations stipulated by the State.

XIV. ACCOUNTING AND AUDITING OF THE FUND

(I) Accounting Policies of the Fund

1. The Fund Manager shall be responsible for the accounting issues of the Fund;
2. The fiscal year of the Fund commences from January 1 and ends on December 31;
3. The Fund adopts RMB as the base currency of bookkeeping and Yuan as the bookkeeping unit in its accounting;
4. The accounting system of the Fund shall comply with the relevant accounting rules of the People's Republic of China;
5. The Fund shall keep its own accounting and auditing independently;
6. The Fund Manager shall keep complete accounting records and evidence, and carry out day-to-day accounting and prepare the financial statements of the Fund pursuant to the relevant provisions;
7. The Fund Custodian shall check the Fund's accounting and statement preparation with the Fund Manager regularly and provide written confirmation accordingly.

(II) Auditing of the Fund

1. The Fund Manager shall engage an accounting firm and its Certified Public Accountants qualified for auditing securities business to audit the annual financial statements and other matters of the Fund. The accounting firm and its Certified Public Accountants shall be independent of the Fund Manager and the Fund Custodian.
2. The accounting firm shall seek the prior approval of the Fund Manager when replacing the Certified Public Accountants for the Fund.
3. If the Fund Manager (or the Fund Custodian) deems there are sufficient reasons to replace the accounting firm, replacement may be made upon the consent of the Fund Custodian (or the Fund Manager), and filing with the CSRC before the replacement. For the replacement of the accounting firm, the Fund Manager shall make an announcement in the Designated Media pursuant to the relevant provisions of the *Measures on Information Disclosure*.

XV. INFORMATION DISCLOSURE OF THE FUND

Information disclosure of the Fund shall be in accordance with the *Funds Law, Measures on Operation, Measures on Information Disclosure*, the Fund Contract and other relevant regulations. The Fund Manager, the Fund Custodian and other information disclosure obligors of the Fund shall disclose the fund information according the relevant laws and guarantee the truthfulness, accuracy and completeness of the disclosed information.

The information disclosure obligors include the Fund Manager, Fund Custodian and the Unitholders who convene the Unitholder's meeting and other natural persons, legal persons and institutions set forth by the laws and regulations and the relevant provisions of the CSRC. The Fund Manager, the Fund Custodian and other information disclosure obligors of the Fund shall disclose the fund information disclosure items on the national press designated by the CSRC (hereinafter referred to as the "Designated Press") and the Internet websites (hereinafter referred to as the "Websites") of the Fund Manager and the Fund Custodian and other related media within the specified time provision by the CSRC.

The information disclosure obligors of the Fund undertake to avoid the following behaviors in the fund information disclosed to the public:

1. To falsely record, or misleadingly state or materially omit the fund information;
2. To predict the performance of securities investment;
3. To illegally promise income or assume losses;
4. To slander other Fund Managers, Fund Custodians or institutions offering the fund units;
5. To contain any congratulatory, complimentary or recommendatory words of any natural person, legal person or other organisations;
6. Other conducts forbidden by the CSRC.

The information of the Fund to be disclosed to the public shall be written in Chinese. If there is a foreign-language version at the same time, the information disclosure obligors of the Fund shall guarantee the consistency of the contents of the two versions. In case of any discrepancy between the two versions, the Chinese version shall prevail.

The Arabic numerals shall be used in the fund information disclosed to the public. Unless otherwise specified, the unit of currency shall be in RMB.

The information on the Fund required to be disclosed includes:

(I) Prospectus

The Prospectus is a legal document which gives details of the Fund under public offering.

The Fund Manager shall prepare the Prospectus in accordance with the *Funds law, Measures on Information Disclosure* and the Fund Contract, and publish the Prospectus on the Designated Press and Websites 3 days prior to the offering of the fund units. After the Fund Contract comes into effect and within 45 days after the end of every six months, the Fund Manager shall update the Prospectus, and publish the updated Prospectus on the Websites and the updated summary of the Prospectus in the Designated Press. The

Fund Manager shall submit the updated Prospectus to the CSRC 15 days prior to the announcement and provide written explanations to the relevant updates. The deadline for announcing the details of the updated Prospectus shall be the last day of every six months.

(II) Fund Contract and Custody Agreement

The Fund Manager shall publish the summary of the Fund Contract in the Designated Press and Websites three days prior to the Fund Unit offering. The Fund Manager and the Fund Custodian shall publish the Fund Contract and the Custody Agreement on their respective websites.

(III) Fund Units Offering Announcement

The Fund Manager shall prepare a Fund Units Offering Announcement for the details of the Fund Unit offering and publish it in the Designated Press and Websites on the same day of disclosing the Prospectus in accordance with applicable provisions of the *Funds law* and the *Measures on Information Disclosure*.

(IV) Announcement on the Enforcement of the Fund Contract

The Fund Manager shall publish an announcement on the enforcement of the Fund Contract in the Designated Press and Websites on the following day after the Fund Contract comes into effect. The announcement on the enforcement of the Fund Contract will set out the conditions of Fund Offering.

(V) Announcements on NAV of the Fund, NAV per Fund Unit and Accumulated NAV per Fund Unit

1. After the Fund Contract has taken effect, and prior to the commencement of the Subscription or Redemption of fund units, the Fund Manager shall publish the NAV of the Fund and the NAV per Fund Unit at least once a week;
2. After the Subscription or Redemption of fund units commences, the Fund Manager shall disclose the NAV per Fund Unit and the accumulated NAV per Fund Unit of each Dealing Day through the Websites, fund unit sales outlets and other media on the day following that Dealing Day;
3. The Fund Manager shall announce the NAV of the Fund and the NAV per Fund Unit on the latest trading day of each semi-fiscal year and full-fiscal year. On the day immediately following the last trading day, the Fund Manager shall publish the NAV of the Fund, the NAV per Fund Unit and the accumulated NAV per Fund Unit on the Designated Press and Websites.

(VI) Announcements on the Subscription and Redemption Price per Unit

The Fund Manager shall set out the calculation method of the Subscription and Redemption price per Unit and relevant Subscription and Redemption fee rates on the information disclosure documents including the Fund Contract and the Prospectus of the Fund, and shall ensure that the Investors can inspect or duplicate the said information and data at the offering outlets of the fund units.

(VII) Annual Fund Reports, Semi-annual Fund Reports and Quarterly Fund Reports

1. The Fund Manager shall complete the annual fund report and publish the full text on the Websites and its summary on the Designated Press. Annual reports of the Fund may not be disclosed until they are audited by an accounting firm with qualifications for engaging in securities related business within 90 days upon the last day of each year;
2. The Fund Manager shall complete the semi-annual fund report and publish its full text on the Websites and its summary on the Designated Press within 60 days upon the last day of the first half of the year;
3. The Fund Manager shall complete the quarterly fund report and publish it on the Designated Press and Websites within 15 Business Days upon the last day of each quarter;
4. Whereas the Fund Contract has taken effect for less than two months, it is not necessary for the Fund Manager to prepare the quarterly reports, semi-annual reports or annual reports.
5. The periodic fund reports shall be filed with the CSRC and the representative branches of the CSRC in the region in which the Fund Manager's main office is located respectively.

The Fund Manager shall disclose information about assets in the Fund's portfolios and liquidity risk analysis in annual and semi-annual reports.

If fund units held by a single investor reach or exceed 20% of the total number of fund units, the Fund Manager, in order to protect the rights and interests of other investors, shall report at least the investor's category, holdings and holdings as a percentage of the total fund units at the end of the reporting period, changes in holdings during the reporting period, and particular risks associated with those products in the "Other Important Information Affecting Investors' Decisions" section of the Fund's regular report, unless otherwise stipulated by the CSRC.

(VIII) Temporary Reports and Announcements

In case of any event during the Fund's operation which may materially affect the rights and interests of the Unitholders or the prices of fund units, information disclosure obligors shall prepare and publish a temporary report within two days and file it with the CSRC and the representative branch of the CSRC in the region in which the Fund Manager's main office is located respectively on the public disclosure day.

1. Convention of the Unitholders' meetings or adoption of resolutions;
2. Termination of the Fund Contract;
3. Change in the ways of operation of the Fund;

4. Replacement of the Fund Manager or the Fund Custodian;
5. Change in the legal name or domicile of the Fund Manager or the Fund Custodian;
6. Change in the Fund Manager's shareholders or the proportions of their capital contribution;
7. Extension of the Initial Offer Period of the Fund;
8. Replacement of the Chairman, General Manager or other senior management members and the portfolio manager of the Fund Manager as well as the person-in-charge of the Fund Custody Department of the Fund Custodian;
9. Replacement of over 50% of the Directors of the Fund Manager in a single year;
10. Replacement of over 30% of key business personnel of the Fund Manager or the Funds Custody Department of the Fund Custodian in a single year;
11. Litigation involving the Fund Manager, the assets of the Fund or the Fund's custody business;
12. The Fund Manager or the Fund Custodian is under investigation by the regulatory authorities;
13. The Fund Manager or any of its Directors, General Manager or other senior management members or the portfolio manager receives a serious administrative penalty, or the Fund Custodian or the person in charge of its Funds Custody Department receives a serious administrative penalty;
14. Significant connected transactions;
15. Distributions of the Fund Income;
16. Any change in the accrual standard, accrual method and rate of the management fee, custody fee and other fees of the Fund;
17. Valuation errors in respect of the NAV per Fund Unit which are no less than 0.5% of the NAV per Fund Unit;
18. Replacement of the accounting firm engaged by the Fund;
19. Modifications, addition and reduction of the Fund's Sales Agencies;
20. Replacement of the Fund Registrar;
21. Commencement of Subscription and Redemption of the Fund;
22. Change in the rate and charging method of the Subscription fee and Redemption fee of the Fund;

23. Mass redemption and deferral of payment of the Fund;
24. Continuous substantial Redemptions and suspension of accepting the Redemption applications by the Fund;
25. Resumption of the Subscription and Redemption by the Fund after the Subscription and Redemption applications are suspended;
26. Changes are made to fund subscription and/or redemption rules, or material issues that may affect redemption by investors;
27. Other matters specified by the CSRC or the Fund Contract.

(IX) Clarification Announcements

Within the Duration of the Fund Contract, if any information on any public media or circulating in the market may have misleading effect on the price of the fund units or result in considerable fluctuation, the information disclosure obligors shall immediately clarify such information publicly and report such situation to the CSRC.

(X) Resolutions of the Unitholders' meeting

(XI) Other Information Required by the CSRC

(XII) Availability and Inspection of Information Disclosure Documents

Upon the completion of preparing the Fund Contract, the Custody Agreement, the Prospectus or its updated versions, Annual Reports, Semi-annual Reports, Quarterly Reports, Announcements on NAV per Fund Unit and other documents, these documents shall be kept in the places where the Fund Manager and the Fund Custodian are located for public inspection. After paying the handling charge, Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

The Investors may also inspect such documents on the websites designated by the Fund Manager. The information disclosure matters of the Fund shall be announced through at least one Designated Media.

The information disclosure of the Fund shall be conducted in strict accordance with the laws and regulations and the Fund Contract.

XVI. RISK DISCLOSURES

(I) Risks of Investing in the Fund

1. Market risks

The Fund primarily invests in the securities market. The fluctuations in prices in the securities market are brought on by various factors, such as economic factors, political factors, investors' psychology and trading system, etc., resulting in changes in fund income level and risks. The main risk factors include:

1. Policy risk. Risk arises when there are changes in the national macroeconomic policies, such as financial policies, monetary policies, industrial policies and local development policies, which may cause the fluctuations in prices in the securities market and affect the return on the Fund.
2. Economic cycle risk. Risk arises when the income level of the Fund's investment changes along with cyclical changes in the income level of the securities market due to cyclic changes in the economy.
3. Interest rate risk. Interest rate fluctuations in the financial market may result in changes in prices and yields in the securities market. The interest rate directly affects the prices and yields of bonds, and thus has an influence on financing costs and profits of enterprises. The Fund invests in bonds and stocks, and the return thereof may be subject to changes in interest rate.
4. Operational risk of listed companies. The operational conditions of listed companies are affected by various factors, such as management capability, industry competitions, market prospects, technology updates, new product research and development, etc., which may result in a changes in the company's profit. If the listed companies invested in by the Fund are operated improperly, such companies' share price may drop or the distributable profit may decrease, resulting in a decrease in the return on the Fund's investment. Although the Fund may decentralise this non-systematic risk through investment diversification, this risk cannot be fully evaded.
5. Purchasing power risk. The income of a Unitholder will be allocated mainly through cash. The purchasing power of cash may decline due to inflation, and this would in turn reduces the actual return of the Fund.

2. Management risk

1. In the course of the management operation of the Fund, the Fund Manager's knowledge, experience, judgment, decision-making, skills, etc., shall have effects on his/her possession of information, and judgment on economic conditions, development prospects of the industry and movements of securities market prices, and thus influence the income level of the Fund.
2. Changes in factors such as management manner and techniques of the Fund Manager and the Fund Custodian may also affect the income level of the Fund.

3. Liquidity risk

The liquidity risk of the Fund mainly lies in two aspects: Firstly, when the Fund Manager builds a position or makes portfolio adjustment for realisation of investment income, the stocks or the bonds may not be purchased or sold at the expected prices due to the relative low liquidity of individual stock markets; Secondly, for satisfying the redemptions from investors, when the liquidity of an individual stock is lower, the Fund Manager would be forced to sell a substantial amount of stocks or bonds at inappropriate prices. Both factors may cause adverse impacts on the NAV of the Fund. In respect of the Fund, the Fund mainly invests in small-cap and medium-cap stocks, which have lower liquidity than large-cap stocks. This may increase the transaction costs of the investment.

The Fund Manager will take full account of the liquidity risks facing the Fund, always be concerned about and take effective measures to manage the liquidity of the Fund diligently to ensure all investors may receive equitable treatment and guarantee that the Fund's trading arrangements are suitable for its investment strategy and the underlying assets invested throughout the duration of the product.

The Fund Manager have established an overall framework for liquidity risk management and identified different liquidity risk management tools to meet the specific requirements of different funds or strategies. The Fund Manager will take the greatest efforts to reduce the impact of liquidity risks, and the above-mentioned tools are designed to achieve this purpose. Nevertheless, liquidity risks cannot be completely eliminated.

4. Specific risks

In different stages of the economic development cycles, some industries can achieve better performance in particular stages of the economic cycles, thus creating dominant industries in such stages. The Fund will, by grasping the changes in economic cycles and relying on comprehensive judgment on factors such as the macro economy, industry policies, extent of industry prosperity and market fluctuation, adopt top-down asset and industry allocation strategies and bottom-up stock selection strategies, and select individual stocks with core competitive advantages in dominant industries.

Since the extent of industry prosperity is affected by various factors such as economic cycles, industry competition, market prospects, technical evolution and industry policies, changes may arise in the profitability of the industry. Though the risks of erroneous judgment on industry prosperity could be reduced by advance risk evaluations and post risk control, they could not be fully avoided. Thus, risk may arise on the industry selection for the Fund's investment due to deviation from the expectations on the industry prosperity.

Risk prevention measures: The Fund Manager will take advantage of professional research to strengthen the macro economy and industry research and prediction capabilities. The Fund Manager will conduct a correct analysis and judgment on the development trend of the extent of industry prosperity and will balance and adjust industrial asset allocation proportions, in order to minimise such risks.

5. Operational or technical risk

In the operation process of various sectors of business by the related parties, any operation failures or violations of operation rules due to defective internal control or man-induced factors may cause risks, such as transactions beyond its authority and in violation of rules, frauds of accounting department, transaction errors and IT system failures.

In the course of various transactions or back-office operations of the open-end funds, the normal operation of transactions and the benefits of Unitholders may be affected by any failures or errors of technical systems. This kind of technical risk may arise from the management companies, Registrars, Sales Agencies, stock exchanges, and the securities registration and clearing institutions of the Fund.

6. Compliance risks

Compliance risks refer to the risks of breaching the national laws and regulations during the course of management or operation of the Fund, or the risks of the investments of the Fund violating the regulations and the relevant provisions of the Fund Contract.

7. Other risks

1. Risks arising from technical factors, such as the risk arising from unreliable computer systems;
2. Risks arising from deficient system construction, staffing and internal control system establishment due to rapid development of the Fund's business;
3. Risks arising from man-induced factors, such as the risks arising from insider dealings frauds etc.;
4. Risks arising from the dependence on the key personnel, such as the Fund Manager;
5. Risks arising from failure of normal operations of the Fund Manager, Fund Sales Agencies, etc. due to war, natural disasters and other force majeure affecting the completion of the Fund's Subscription and Redemption within the normal timeline.

(II) Statement

1. The Fund has not been guaranteed by any level of government, agency or department. The Fund investors voluntarily invest in the Fund and they shall bear the investment risks at their own discretion.
2. Other than the sales of the Fund directly made by the Fund Manager, sales of the Fund are also made by agency via the Fund's Sales Agencies. However, the fund assets are not deposits or liabilities of these Sales Agencies, and the income is not guaranteed by the Fund's Sales Agencies. Therefore, the Sales Agencies cannot guarantee its income or the safety of the principal.

XVII. ALTERATION AND TERMINATION OF THE FUND CONTRACT AND LIQUIDATION OF ASSETS OF THE FUND

(I) Alteration of the Fund Contract

1. Whereas the alterations of the Fund Contract incur any material effects on the rights and obligations of the Parties to the Fund Contract, a Unitholders' meeting shall be convened. The altered contents of the Fund Contract shall be agreed by the resolution of the Unitholders' meeting.

- (1) Change in the operation mode of the Fund;
- (2) Change in the type of the Fund;
- (3) Change in the investment objectives, investment scope or investment strategy (unless otherwise provided by the Laws and Regulations and the CSRC);
- (4) Change in the procedures of the Unitholders' meeting;
- (5) Replacement of the Fund Manager or the Fund Custodian;
- (6) Increase in the remuneration standards of the Fund Manager and the Fund Custodian, except for the increase of such remuneration standards required by applicable relevant regulations;
- (7) Merge of the Fund with other funds;
- (8) Other matters, such as the matter which may have significant influence on the rights and obligations of Parties to the Fund Contract;
- (9) Other situations as stipulated by the relevant laws and regulations, the Fund Contract or by the CSRC.

However, under any of the following circumstances, the alterations may be announced upon the consent of the Fund Manager and the Fund Custodian instead of the resolution of the Unitholders' meeting, and shall be reported to the CSRC for record:

- (1) To reduce the fund management fee, fund custody fee and other expenses that shall be borne by the Fund;
- (2) To charge the additional fees of the Fund as required the Laws and Regulations;
- (3) To change the rates of Subscription fee and charging methods of the Fund or reduce the Redemption fee rate within the scope specified by the Laws and Regulations and the Fund Contract;
- (4) To revise the Fund Contract due to the changes made in the relevant Laws and Regulations;
- (5) Any revision in the Fund Contract that does not involve changes in the relationship between the rights and obligations of the Parties to the Fund Contract;

- (6) Any revision to the Fund Contract that does not affect adversely and substantially the interests of the Unitholders;
 - (7) Other circumstances that the convening of the Unitholders' meeting is not required in accordance with the Laws and Regulations or the Fund Contract.
2. The resolutions of the Unitholders' meeting on the alterations of the Fund Contract shall be reported to the CSRC for approval or record, and shall come into force upon the approval from the CSRC or the issuance of opinions without objection and shall be announced on at least one Designated Media and the website of the Fund Manager within 2 days from the effective date.

(II) Termination of Fund Contract

Under any of the following circumstances, the Fund Contract shall be terminated upon the approval of the CSRC:

1. The Unitholders' meeting resolves to terminate the Fund Contract;
2. The Fund Manager fails to continue to perform the duties of the Fund Manager for the reasons of dissolution, bankruptcy and revocation, and no other appropriate fund management institution assumes its original rights and obligations within 6 months;
3. The Fund Custodian fails to continue to perform the duties of the Fund Custodian for the reasons of dissolution, bankruptcy and revocation, and no other appropriate custody institution assumes its original rights and obligations within 6 months;
4. Other circumstances required by the CSRC.

(III) Liquidation of Assets of the Fund

1. Liquidation team of assets of the Fund
 - (1) When the Fund Contract is terminated, a liquidation team of assets of the Fund shall be established to conduct the liquidation of the Fund under the supervision of the CSRC.
 - (2) The liquidation team of assets of the Fund shall consist of the Fund Manager, the Fund Custodian, certified public accountants and lawyers who are qualified for engaging securities related business, and persons appointed by the CSRC. The liquidation team of assets of the Fund may engage necessary staff.
 - (3) The liquidation team of assets of the Fund shall be responsible for the safekeeping, clearing, valuation, realisation and allocation of the Fund's assets. The liquidation team of assets of the Fund can take necessary civil activities in accordance with relevant laws.
2. Liquidation procedures of the Fund's assets

If the Fund Contract is terminated, the assets of the Fund shall be liquidated in accordance with the Laws and Regulations and the relevant provisions in the Fund Contract. The procedures of Assets liquidation of assets of the Fund mainly include:

- (1) An announcement shall be made regarding the liquidation of the assets of the Fund upon the termination of the Fund Contract;
- (2) When the Fund Contract is terminated, the liquidation team of assets of the Fund shall carry out a unified takeover of the Fund's assets;
- (3) To clear and confirm the Fund's assets;
- (4) To value and realise the Fund's assets;
- (5) To engage an accounting firm to audit the liquidation report;
- (6) To engage a law firm to issue legal opinion;
- (7) To report the results of liquidation of assets of the Fund to the CSRC;
- (8) To participate in the civil actions relating to the assets of the Fund.
- (9) To publish the liquidation report of the Fund's assets;
- (10) To allocate the remaining assets of the Fund.

3. Liquidation expenses

Liquidation expenses mean all reasonable fees and expenses incurred during the liquidation process of the Fund's assets carried out by the liquidation team of assets of the Fund, which shall be paid out of the Fund's assets by the liquidation team of assets of the Fund with priority.

4. The Fund's assets shall make payment in the following sequence:

- (1) Payment of liquidation expenses;
- (2) Payment of taxes in arrears;
- (3) Discharge of the Fund's debts;
- (4) Make allocation in proportion to the fund units held by the Unitholders.

The Fund's assets shall not be allocated to the Unitholders before the payments set forth in Items (1) to (3) above are made.

5. Announcement of liquidation of the Fund's assets

The liquidation announcement of the Fund's assets shall be announced by the liquidation team of assets of the Fund within 5 Business Days after the Fund Contract is terminated and reported to the CSRC for record. Any material matters in the liquidation process shall be announced timely. The liquidation results of the Fund's assets which have been audited by an accounting firm and have been issued with legal opinion by a law firm, shall be reported to the CSRC for record and an announcement shall be made.

6. Keeping of account books and documents of liquidation of the Fund's assets

The Fund Custodian shall keep the account books and related documents of liquidation of the Fund's assets for more than 15 years.

XVIII. SUMMARY OF THE FUND CONTRACT

The main contents of the Fund Contract for CIFM China Sector Rotation Fund are as follows:

(I). Rights and Obligations of Unitholders, Fund Manager and Fund Custodian:

1. Rights of the Unitholders

- (1) To share the income brought by the assets of the Fund;
- (2) To participate in the allocation of the remaining assets after liquidation;
- (3) To apply for redeeming their fund units which are held by them in accordance with the laws;
- (4) To request to convene the Unitholders' meetings in accordance with relevant provisions;
- (5) To attend or appoint a proxy to attend a Unitholders' meeting and exercise their voting rights on matters considered on the Unitholders' meeting;
- (6) To access and copy the publicly disclosed information of the Fund;
- (7) To supervise the investment operation of the Fund Manager;
- (8) To bring a suit against the violation of their legitimate interests by the Fund Manager, the Fund Custodian and the offering institutions of fund units;
- (9) Other rights stipulated by the Laws and Regulations and the Fund Contract.

Each fund unit in the same class shall have equal legitimate interests.

2. Obligations of Unitholders

- (1) To comply with the Laws and Regulations, the Fund Contract and other relevant provisions;
- (2) To pay the Application and Subscription monies of the Fund and the expenses specified by the Laws and Regulations and the Fund Contract;
- (3) To assume the limited liability for the loss of the Fund or the termination of the Fund Contract to the extent of the fund units it holds;
- (4) Not to engage in any activity that will adversely impair the legitimate interests of the Fund or other Unitholders;
- (5) To execute the effective resolutions approved by the Unitholders' meetings;
- (6) To return any improper gains received from the Fund Manager, the agent of the Fund Manager, the Fund Custodian the Sales Agencies and other Unitholders for any reason during the course of trading of the Fund.
- (7) Other obligations specified by the Laws and Regulations and the Fund Contract.

3. Rights of the Fund Manager

- (1) To independently utilise the assets of the Fund pursuant to the relevant provisions in Laws and Regulations and the Fund Contract as from the Effective Date of Fund Contract;
- (2) To receive the fund management fees and other incomes stipulated by the Laws and Regulations or approved by the regulatory authorities pursuant to the Fund Contract;
- (3) To offer the fund units;
- (4) To exercise the rights arising from the investment of the Fund's assets in securities in accordance with relevant provisions;
- (5) Subject to the compliance with the relevant Laws and Regulations, to formulate and adjust the business rules related to the Application, Subscription, Redemption, switching, non-trading transfer, Agency Transfer, etc. of the Fund and to determine and adjust the relevant fee structure and charging methods of the Fund (except for increasing the custody fee rate and management fee rate) within the scope stipulated by the Laws and Regulations and the Fund Contract;
- (6) To supervise the Fund Custodian in accordance with the Fund Contract and the relevant provisions. The Fund Manager shall promptly report to the CSRC any acts which are in breach of the Fund Contract or the relevant Laws and Regulations by the Fund Custodian and might cause material losses to the assets of the Fund and/or to the interests of other parties concerned, and take necessary measures to protect the interests of the Fund and other parties concerned;
- (7) To reject or temporarily suspend accepting the application for Subscription and Redemption within the extent as agreed in the Fund Contract;
- (8) To carry out margin facility and securities borrowing in the interest of the Fund subject to the permission from the Laws and Regulations;
- (9) To act as or to select and replace the Registrar, to obtain the Register of Unitholders, and to conduct necessary supervision and inspection on its agency behaviour as the Registrar;
- (10) To select and replace the Sales Agencies and to conduct the necessary supervision and inspection on their behaviours in accordance with the sales service agency agreements of the Fund and the relevant Laws and Regulations;
- (11) To select and replace lawyers, auditors, securities broker and other external institutions which provide services to the Fund;
- (12) To nominate a new Fund Custodian in the event of the replacement of the Fund Custodian;
- (13) To convene a Unitholders' meeting pursuant to laws;
- (14) Other rights stipulated by the Laws and Regulations.

4. Obligations of the Fund Manager

- (1) To carry out the fund offering pursuant to the laws, and to undertake or appoint other institutions identified by the CSRC to undertake the offering, Subscription, Redemption and registration of fund units
- (2) To handle the procedures of record filing for the Fund;
- (3) To manage and use the assets of the Fund based on the principles of good faith and due diligence as from the Effective Date of Fund Contract;
- (4) To employ adequate qualified personnel with professional qualifications to conduct analysis and make decisions regarding the Fund's investment, and to manage and operate the assets of the Fund in a professional business manner;
- (5) To establish sound systems for internal risk control, supervision and auditing, financial management and personnel management, etc., so as to ensure the assets of the Fund under its management and the assets of the manager are independent to each other. To have separate management and separate book-entry on various funds managed by the Fund Manager and to carry out securities investment;
- (6) Not to seek benefits for itself or any third party or entrust any third party to operate the assets of the Fund unless otherwise provided by the *Funds Law*, the Fund Contract and other relevant provisions;
- (7) To be supervised by the Fund Custodian pursuant to laws;
- (8) To calculate and publish the NAV of the Fund, to confirm the Subscription and Redemption prices of the fund units;
- (9) To adopt appropriate and reasonable measures to ensure that the calculation methods for the Application, Subscription, Redemption and cancellation prices of fund units are in compliance with the provisions of legal documents, such as the Fund Contract, etc;
- (10) To accept and handle the application for Subscription and Redemption and to pay the redemption monies in time and in full;
- (11) To carry out the financial accounting of the Fund and to prepare the financial and accounting reports of the Fund;
- (12) To prepare interim and annual reports of the Fund;
- (13) To perform the obligations of information disclosure and reporting in strict accordance with the *Funds Law*, the Fund Contract and other relevant provisions;
- (14) To keep business secrets of the Fund and not to disclose any investment plans, investment intentions, etc. of the Fund. To keep confidential of and not to disclose to others any information of the Fund before the same is made available to the public, save for disclosures required by the *Funds Law*, the Fund Contract and other relevant provisions;

- (15) To determine the income distribution plan of the Fund in accordance with the Fund Contract and to distribute the income to the Unitholders on a timely basis;
- (16) To convene or assist the Fund Custodian and Unitholders to convene the Unitholders' meetings in accordance with the *Funds Law*, the Fund Contract and other relevant provisions;
- (17) To maintain records, accounting books, statements of business activities of fund assets management and other relevant information;
- (18) To exercise the right of litigation or to implement other legal actions on behalf of the interests of the Unitholders in the name of the Fund Manager;
- (19) To organise and join in the liquidation team of the Fund's assets and participate in the keeping, clearing, valuation, realisation and allocation of the assets of the Fund;
- (20) To assume liability to pay compensation in case of any loss to the assets of the Fund or any harm to the legitimate interests of the Unitholders arising from the Fund Manager's breach in the Fund Contract. Such liability shall not be exempted due to its retirement;
- (21) To claim for compensation against the Fund Custodian for the Unitholders in the event of any losses of the assets of the Fund arising from the Fund Custodian's breach in the Fund Contract;
- (22) To provide the Fund Custodian with the register of Unitholders pursuant to the relevant provisions;
- (23) To report to the CSRC and notify the Fund Custodian in a timely manner in case of dissolution, revocation or bankruptcy according to laws;
- (24) To execute the effective resolutions approved by the Unitholders' meetings;
- (25) Not to engage in any activity that will adversely impair the Fund or the interests of other concerned parties of the Fund;
- (26) To exercise the shareholders' rights of the investee company for the interests of the Fund, to exercise the rights arising from the investment of the Fund's assets in securities for the interests of the Fund, pursuant to the Laws and Regulations, and not to seek for shareholdings and direct management of the listed companies;
- (27) Other obligations specified by the Laws and Regulations, the CSRC and the Fund Contract.

5. Rights of the Fund Custodian

- (1) To receive the fund custody fees agreed in the Fund Contract and other incomes specified by the Laws and Regulations or approved by the regulatory authorities;
- (2) To supervise the investment operation of the Fund by the Fund Manager;
- (3) To keep in safe custody the assets of the Fund in accordance with the laws as from the Effective Date of Fund Contract;
- (4) To nominate a new Fund Manager in the event of the replacement of the Fund Manager;
- (5) To supervise the Fund Manager pursuant to the Fund Contract and the relevant regulations. The Fund Custodian shall promptly report to the CSRC any acts which are in breach of the Fund Contract or the relevant Laws and Regulations by the Fund Manager and might cause material losses to the fund assets and/or to the interests of other concerned parties;
- (6) To convene a Unitholders' meeting pursuant to laws;
- (7) To obtain the register of the Unitholders pursuant to the relevant provisions;
- (8) Other rights stipulated by the Laws and Regulations and the Fund Contract.

6. Obligations of the Fund Custodian

- (1) To safely keep the assets of the Fund;
- (2) To establish a specialised fund custody department, which operates in a business premise that meets the requirements, employs adequate qualified personnel who are familiar with the fund custody business, and is responsible for the custody of the assets of the Fund;
- (3) To maintain separate accounts for various assets of the Fund which are in its custody and to ensure the completeness and independence of the assets of the Fund;
- (4) Not to seek benefits for itself or any third party or entrust the assets of the Fund under custody by any third party unless otherwise provided by the *Funds Law*, the Fund Contract and other relevant provisions;
- (5) To safely keep all the material contracts related to the Fund and the evidences signed by the Fund Manager on behalf of the Fund;
- (6) To open capital account and securities account for the assets of the Fund pursuant to the relevant provisions;
- (7) To keep business secrets of the Fund. To keep confidential and not to disclose to others any information of the Fund before the same is made available to the public, save for disclosures required by the *Funds Law*, the Fund Contract and other relevant provisions;

- (8) To provide its opinion on the financial and accounting reports of the Fund as well as the interim and annual reports of the Fund to illustrate whether the Fund Manager's operation in all major aspects is in strict accordance with the provisions of the Fund Contract. In the event that the Fund Manager fails to perform the acts stipulated in the Fund Contract, it is also necessary to illustrate whether the appropriate measures have been taken by the Fund Custodian;
- (9) To keep the records, account books, statements and other related information of the custody business activities of the Fund;
- (10) To process the clearing and settlement in a timely manner according to the investment instructions of the Fund Manager pursuant to the agreed terms in the Fund Contract;
- (11) To carry out the information disclosures related to the custody business activities of the Fund;
- (12) To review and verify the NAV of the Fund calculated by the Fund Manager and the Subscription and Redemption prices of the fund units;
- (13) To supervise investment operation of the Fund Manager pursuant to the provisions;
- (14) To prepare relevant account books and check with the Fund Manager in accordance with the provisions;
- (15) To pay the Fund income and Redemption monies to the Unitholders pursuant to the instruction of the Fund Manager or relevant provisions;
- (16) To convene the Unitholders' meeting pursuant to the provisions or to cooperate with the Unitholders to convene the Unitholders' meeting by itself pursuant to the laws;
- (17) To assume liability to pay compensation in the case of any loss of the assets of the Fund incurred by the breach in the Fund Contract. Such liability shall not be exempted due to its retirement;
- (18) To claim for compensation against the Fund Manager for the Fund in the event that any losses of the assets of the Fund arising from the Fund Manager's breach of the Fund Contract;
- (19) To join in the liquidation team of the Fund's assets and participate in the keeping, clearing, valuation, realisation and allocation of the assets of the Fund;
- (20) To report to the CSRC and the regulatory and management institutions of banking industry and notify the Fund Manager in a timely manner in case of dissolution, revocation or bankruptcy pursuant to laws;
- (21) To execute the effective resolutions approved by the Unitholders' meetings;

- (22) Not to engage in any activity that will adversely impair the Fund or the interests of other concerned parties to the Fund;
- (23) To prepare and keep the register of the Unitholders;
- (24) Other obligations specified by the Laws and Regulations, the CSRC and the Fund Contract.

(II) Procedures and Rules for Convening, Discussion on and Voting in Unitholders' meeting

1. Matters for Convening Unitholders' Meeting

The Unitholders' meetings shall be convened when there is an occurrence or a need for determining one of the following reasons and upon the proposal of the Fund Manager, the Fund Custodian or the Unitholders who hold not less than 10% (including 10%, same as below) of fund units (calculated on the basis of the fund units on the date when the Fund Manager receives such proposal, same as below):

- (1) To terminate of the Fund Contract;
- (2) To change of the operation mode of the Fund;
- (3) To change the type of the Fund;
- (4) To change the investment objectives, investment scope or investment strategy of the Fund (except for those otherwise provided by the Laws and Regulations and the CSRC);
- (5) To change the discussion procedures of the Unitholders' meeting;
- (6) To replace the Fund Manager or the Fund Custodian;
- (7) To increase the remuneration standards of the Fund Manager and the Fund Custodian, except for the increase of such remuneration standards are required by the Laws and Regulations;
- (8) To merge the Fund with other funds;
- (9) Other matters, such as the matter which may have significant influence on the rights and obligations of Parties to the Fund Contract and the changes in the Fund Contract which may require to convene a Unitholders' meeting;
- (10) Other situations as stipulated by the relevant Laws and Regulations, the Fund Contract or by the CSRC.

2. Methods of Convening the Unitholders' Meeting

- (1) The Unitholders' meeting shall be convened by the Fund Manager unless otherwise agreed in Laws and Regulations or the Fund Contract. If the Fund Manager does not convene the meeting pursuant to the relevant provisions or cannot convene the meeting, the meeting shall be convened by the Fund Custodian.

- (2) The Fund Custodian shall submit a written proposal to the Fund Manager to convene the Unitholders' meeting as it considers necessary. The Fund Manager shall decide whether to convene the meeting and give a written notice to the Fund Custodian within 10 days after receipt of the written proposal. If the Fund Manager decides to convene the meeting, the meeting shall be convened within 60 days after the issuance of the written decision; if the Fund Manager decides not to convene the meeting and the Fund Custodian still considers that it is necessary to convene the meeting, the Fund Custodian shall convene the meeting on its own.
- (3) If the Unitholders representing more than 10% of fund units consider it necessary to convene a Unitholders' meeting, they shall submit a written proposal to the Fund Manager. The Fund Manager shall decide whether to convene the meeting and give a written notice to the representative(s) of the proposing Unitholders and the Fund Custodian within 10 days after receipt of the written proposal. If the Fund Manager decides to convene the meeting, the meeting shall be convened within 60 days after the issuance of the written decision; if the Fund Manager decides not to convene the meeting and the Unitholders representing more than 10% of fund units still consider that it is necessary to convene the meeting, they shall submit a written proposal to the Fund Custodian. The Fund Custodian shall decide whether to convene the meeting and give a written notice to the representative(s) of the proposing Unitholders and the Fund Manager within 10 days after receipt of the written proposal; if the Fund Custodian decides to convene the Unitholders' meeting, the meeting shall be convened within 60 days after the issuance of the written decision.
- (4) If the Unitholders representing more than 10% of fund units request to convene a Unitholders' meeting for the same matter but both the Fund Manager and the Fund Custodian decide not to convene the meeting, the Unitholders representing more than 10% of fund units are entitled to convene a Unitholders' meeting on their own, provided that they shall report to the CSRC for record at least 30 days in advance.
- (5) If the Unitholders convene a Unitholders' meeting pursuant to the laws on their own, the Fund Manager and the Fund Custodian shall cooperate and shall not obstruct or interfere.

3. Discussion procedures of the Unitholders' meeting

(1) Onsite meeting

In case of onsite meeting, the host of the meeting shall firstly declare the discussion procedures and considerations of the meeting according to the procedures prescribed, specify and announce the scrutineer, and then read out the proposals, which shall form the meeting resolutions in the presence of a legally practicing lawyer after discussion and voting.

The meeting shall be hosted by the authorised representative of the scrutineer. If the Fund Manager is the scrutineer and the authorised representative of the Fund Manager is unable to host the meeting, the meeting shall be hosted by the authorised representative of the Fund Custodian; if both the authorised representatives of the Fund Manager and the Fund Custodian are unable to host

the meeting, a representative shall be selected as the host of the Unitholders' meeting by a majority votes cast by the attending Unitholders and the proxies representing more than 50% of fund units. If the Fund Manager and the Fund Custodian neither attend nor host the Unitholders' meeting, the validity of the resolutions made by the Unitholders' meeting shall not be affected.

The convener shall make a signature book of attendees of the meeting. The signature book shall set out information, such as the name (or entity name), identification number, number of fund units with voting rights held and represented, name of principal (or entity name), etc. of the attendees of the meeting.

(2) Communications meeting

In case of meeting of communications for voting, the convener shall firstly announce the proposals 30 days in advance. All the valid votes shall be counted on the second Business Day after the notified voting deadline under the supervision of a notary institution and the superintendent, and then the resolutions will be formed. If the superintendent has been notified but refused to conduct a supervision onsite, the validity of the resolution formed under the supervision of notary institution shall not be impacted.

(3) Voting cannot be made at a Unitholders' meeting for an agenda item that was not announced in advance.

4. Voting procedures of the Unitholders' meeting

(1) Each fund unit held by the Unitholders is entitled to equal voting right.

(2) Resolutions of the Unitholders' meetings include ordinary resolutions and special resolutions;

(i) Ordinary resolutions

To be effective, an ordinary resolution shall be approved by more than 50% of the voting rights held by the Unitholders (or their proxies) who attend the meeting. Except for the matters specified in paragraph (ii) below which must be approved by a special resolution, all other matters shall be approved by an ordinary resolution;

(ii) Special resolutions

To be effective, a special resolution shall be approved by more than two-third (inclusive) of the voting rights held by the Unitholders (or their proxies) who attend the meeting. To be effective, matters relating to replacement of the Fund Manager, replacement of the Fund Custodian, change of operation mode of the Fund and termination of the Fund Contract must be approved by a special resolution;

(3) The matters to be decided at the Unitholders' meeting shall be reported to the CSRC in accordance with the laws for approval or filing, and an announcement shall be made;

- (4) If the voting process is carried out by means of communication, the written voting opinions which apparently comply with the relevant Laws and Regulations and the notice of meeting notice shall be deemed as valid votes, unless there are sufficient evidences to the contrary. Any vague or contradictory voting opinions shall be deemed as abstain from voting; however, they shall be included in the total number of fund units represented by the Unitholders who submitted the written voting opinions;
- (5) The Unitholders' meeting adopts registered voting;
- (6) Each proposal or each topic listed in the same proposal of a Unitholders' meeting shall be deliberated separately and voted one by one.

(III) Reasons for Discharge and Termination of the Fund Contract

Under any of the following circumstances, the Fund Contract shall be terminated upon approval of the CSRC:

1. The Unitholders' meeting resolves to terminate the Fund Contract;
2. The Fund Manager fails to continue to perform the duties of the Fund Manager for the reasons of dissolution, bankruptcy and revocation, and no other appropriate fund management institution assumes its original rights and obligations within 6 months;
3. The Fund Custodian fails to continue to perform the duties of the Fund Custodian for the reasons of dissolution, bankruptcy and revocation, and no other appropriate fund custody institution assumes its original rights and obligations within 6 months;
4. Other circumstances required by the CSRC.

(IV) Settlement of Disputes and Applicable Laws

The Parties to the Fund Contract shall endeavor to settle the disputes relating to the conclusion, contents, performance and interpretation of the Fund Contract or in connection with the Fund Contract through negotiation and mediation. Any Party who is unwilling or unable to settle such disputes through negotiation and mediation shall be entitled to submit the disputes to the China International Economic and Trade Arbitration Commission for arbitration pursuant to the arbitration rules then in force of the China International Economic and Trade Arbitration Commission. The arbitration shall take place in Shenzhen. The arbitral award shall be final and binding on the parties concerned and the arbitration expense shall be borne by the losing party.

During the settlement of disputes, the Parties to the Fund Contract shall observe their respective duties and responsibilities, continue to perform their obligations as set forth in the Fund Contract faithfully, diligently and responsibly, and shall maintain the legitimate interests of the Unitholders.

The Fund Contract shall be governed by the laws of the PRC.

(V) Venues of Placing the Fund Contract and Methods of Obtaining the Fund Contract by Investors

The Fund Contract can be printed in hard copies for inspection by Investors at the offices and premises of the Fund Manager, the Fund Custodian, the Sales Agencies and the Registrars, but for validity, the original of the Fund Contract shall prevail.

XIX. SUMMARY OF THE FUND CUSTODY AGREEMENT

(I) Parties to the Custody Agreement

1. Fund Manager: China International Fund Management Co., Ltd. (see Article 3 of this Prospectus for specific information)
2. Fund Custodian: China Merchants Bank Co., Ltd.
Name: China Merchants Bank Co., Ltd. (hereinafter referred to as “China Merchants Bank”)
Date of Establishment: April 8, 1987.
Registered Address: China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen
Business Address: China Merchants Bank Building, No. 7088 Shennan Road, Shenzhen
Registered Capital: RMB 25.22 Billion
Legal Representative: Li Jianhong
President: Tian Huiyu
Asset Custody Business Approval Number: Zheng Jian Ji Jin Zi [2002] No.83
Telephone Number: 0755-83199084
Fax Number: 0755-83195201
Head of the Information Disclosure Division of Asset Custody Department: Zhang Yan
Business Scope: Deposits from public; granting short-term, medium-term and long-term loans; settlements; bills discounting; issue of financial bonds; agency issue, agency payment, underwriting of government bonds; trading of government bonds; interbank borrowing; providing letter of credit service and guarantee; agency collection and payment and agency insurance; safe deposit box service. Foreign currency deposits; foreign currency loans; foreign exchange remittance; foreign currency exchange; international settlement; exchange settlement and exchange sales; interbank foreign currency borrowing; foreign currency bills acceptance and discounting; foreign exchange borrowing; foreign exchange guarantee; issuing and issuing as an agent foreign currency marketable securities other than stocks; trading and trading as an agent foreign currency marketable securities other than stocks; proprietary trading of foreign exchange and trading of foreign exchange on behalf of clients; credit investigation, consultation, attestation business, and offshore financial business. Other business approved by the People’s Bank of China.
Organisational form: Company Limited by Shares
Duration of existence: continuous operation

(II) Business Supervision and Verification between the Fund Custodian and the Fund Manager

1. The Fund Custodian shall supervise the investment scope and investment object of the Fund in accordance with the provisions of the relevant Laws and Regulations and the Fund Contract. If the investment style or securities selection criteria of the Fund have been clearly agreed in the Fund Contract, the Fund Manager shall provide the Fund Custodian with the pools of investment types and counterparties in advance, to enable the Fund Custodian to supervise whether the Fund’s actual investment is in line with securities selection criteria agreed in the Fund Contract.

The Fund Custodian can refuse to execute the investment behavior dispatched by the Fund Manager which is not in compliance with the stipulations in the Fund Contract, and shall send a written notice to the Fund Manager. If the Fund Custodian discovers that any executed investment behavior is not in compliance with the stipulations in the Fund Contract, the Fund Custodian shall send a written notice to the Fund Manager for making adjustments and amendments, and shall report the case to the CSRC.

2. The Fund Custodian shall supervise the proportion of investment and margin facility of the Fund in accordance with the provisions of the relevant laws and regulations and the Fund Contract.

The Fund Custodian shall supervise whether the proportion of investment and margin facility of the Fund is in compliance with the stipulations in the Fund Contract. The Fund Custodian shall supervise whether the asset allocation proportion of the Fund's investment agreed in the Fund Contract (starting from 6 months after the Effective Date of Fund Contract), the proportion limit of single investment type, limit for margin facility, stock subscription limit, and proportion of the Fund's investment are in compliance with regulations and stipulations in the Fund Contract. The Fund Custodian shall send a written notice to the Fund Manager for making adjustments and amendments promptly. The timeline of adjustments and amendments shall be in line with the adjustment timeline of investment proportion permitted by regulations and the Fund Contract.

If the investment proportion of the Fund does not comply with the above investment proportions due to the factors not attributable to the Fund Manager, such as the fluctuations of securities market, the merger of listed companies, the change in fund size, etc., the Fund Manager shall make adjustment within 10 trading days. Under the aforesaid special circumstances, the Fund Manager shall make adjustments and amendments pursuant to the provisions stipulated by the CSRC and the relevant Laws and Regulations.

3. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise the prohibited investment activities specified in Clause 9 of Article 15 of the Agreement. The Fund Custodian shall supervise the prohibited investment activities and the connected transactions of the Fund Manager in the manner of post-supervision. Pursuant to the provisions of the Laws and Regulations which prohibit the Fund from engaging in the connected transactions, the Fund Manager and the Fund Custodian shall provide each other with the list of shareholders who have shareholding relationship with this entity, the list of companies which have other material interests with this entity and the list of securities issued by the related connected parties in advance. The Fund Manager and the Fund Custodian shall be responsible for ensuring the truth, accuracy, and completeness of the list of connected transactions and shall be responsible for sending the updated list to the other party in a timely manner.

When the Fund Custodian discovers that the Fund Manager and the connected parties in the list of connected transactions carry out the connected transaction of which the Fund is prohibited to engage by relevant Laws and Regulations, and if the occurrence of such connected transaction could not be prevented after the Fund Custodian has reminded the Fund Manager, the Fund Custodian shall have the right to report this case to the CSRC.

4. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the Fund Contract, supervise the Fund Manager's participation in the interbank bond market. The Fund Manager shall, before the operation of fund investment, provide the Fund Custodian with a list of interbank bond market counterparties which are in compliance with the Laws and Regulations and standards in the industry, are selected carefully and are suitable for the Fund. The Fund Manager shall select the counterparties in the interbank bond market strictly according to the scope of the list of counterparties. The Fund Custodian shall supervise whether the Fund Manager has carried out the transaction in accordance with the list of interbank bond market counterparties provided in advance. During the Duration of the Fund, the Fund Manager can adjust the list of trading counterparties, provided that the adjustment results shall be sent to the Fund Custodian at least one Business Day in advance. The transaction which was carried out with the counterparty that is deleted in this adjustment before the new list is confirmed but has not been settled, shall still be settled in accordance with the agreement.

The Fund Manager shall be responsible for the credit control of the counterparties, and shall carry out the transactions according to the trading rules of the interbank bond market, and shall be responsible for resolving the disputes and losses arising from the breach of contract of the counterparties. The Fund Custodian shall supervise the performance of the contract according to the contract note of the interbank bond market. In the case that the Fund Custodian later discovered that the Fund Manager fails to carry out transaction with the counterparties or in the manner as agreed in advance, the Fund Custodian shall remind the Fund Manager in a timely manner and shall not assume any loss or liability caused therefrom.

5. If the Fund invests in the restricted floating securities, the Fund Manager and the Fund Custodian shall, in accordance with the relevant regulations of the CSRC, sign a supplemental agreement concerning the relevant matters with the Fund Custodian after a consensus is reached through consultation. The proportion of restricted floating securities invested by the Fund shall be specified in the supplemental agreement. The Fund Manager shall formulate a strict investment decision-making flow and risk control system to prevent various risks, such as liquidity risk, legal risk and operational risk, etc. The Fund Custodian shall supervise whether the Fund Manager observes the relevant systems, the liquidity risk treatment plan and the relevant investment quota and proportion, etc.
6. The Fund Custodian shall, pursuant to the relevant Laws and Regulations and the agreed provisions in the Fund Contract, supervise and verify the calculation of NAV of the Fund, the calculation of NAV per Fund Unit, the receipt of accounts receivables, the determination of Fund's fees and income, the fund income distribution, the relevant information disclosure, the data of results and performance contained in the promotional materials of the Fund.
7. If the Fund Custodian discovers that the Fund Manager's above matters, investment instructions or actual investment operation are in breach of the Laws and Regulations and the provisions of the Fund Contract and the Custody Agreement, the Fund Custodian shall, in a timely manner notify the Fund Manager by a phone reminder or a written reminder to make a correction within a period of time. The Fund Manager shall actively

cooperate with and assist in the supervision and verification conducted by the Fund Custodian. Upon the receipt of the notice, the Fund Manager shall make a verification in time and shall reply to the Fund Custodian. If the written notice has been received, the Fund Manager shall reply to the Fund Custodian in writing, in order to provide explanation and proof for the doubts of the Fund Custodian and to specify the reasons of the breach and the deadline for correction. The Fund Custodian shall, within the above specified period, have the right to review the matters as set forth in the notice and urge the Fund Manager to make corrections. In case that the Fund Manager fails to correct its violations notified by the Fund Custodian within the said period of time, the Fund Custodian shall report to the CSRC.

8. The Fund Manager shall be obliged to cooperate with and assist in the Fund Custodian to verify the Fund's business pursuant to the Laws and Regulations, the Fund Contract and the Custody Agreement. Such instances including but not limited to that if a written reminder is sent by the Fund Custodian, the Fund Manager shall make a reply and correction within the specified period of time, or shall provide explanation and proof for the doubts of the Fund Custodian. When the Fund Custodian is required to submit the fund supervision report to the CSRC pursuant to the Laws and Regulations, the Fund Contract and the Custody Agreement, the Fund Manager shall actively cooperate in providing the relevant data and system, etc.
9. In case that the Fund Custodian discovers that the instructions of the Fund Manager which have been put into effect pursuant to trading procedures are in breach of the laws, administrative regulations and other related provisions or are in breach of the agreed provisions in the Fund Contract, the Fund Custodian shall notify the Fund Manager immediately and shall make corrections in a timely, and the losses caused therefrom shall be borne by the Fund Manager.
10. Whereas the Fund Custodian discovers that the Fund Manager is in material breach, the Fund Custodian shall report to the CSRC in a timely manner and shall at the same time notify the Fund Manager to make corrections within the specific period.

(III) Safekeeping of the Fund's Assets

1. The assets of the Fund shall be independent from the owned assets of the Fund Manager and the Fund Custodian.
2. The Fund Custodian shall safely keep the assets of the Fund.
3. The Fund Custodian shall open the capital account and the securities account for the assets of the Fund pursuant to the provisions.
4. The Fund Custodian shall set up separate accounts for different assets of the Fund under its custody to ensure the completeness and independence of the Fund's assets.
5. The Custodian shall keep the assets of the Fund according to the instructions given by the Fund Manager and pursuant to the Fund Contract and the agreed provisions in this Agreement. The Fund Custodian shall not utilise, dispose of and allocate any part of assets of the Fund by himself/herself without a proper instruction made by the Fund Manager. The liabilities incurred by the damages and losses of the physical securities which are not under the actual and effective control of the Fund Custodian shall not be borne by the Fund Custodian.

6. For the assets receivable incurred by the fund investment, the Fund Manager shall be responsible for confirming a credit date with the relevant parties and inform the Fund Custodian of the date. If the assets of the Fund did not arrive at the Fund's account on the credit date, the Fund Custodian shall, in a timely manner, notify the Fund Manager to take actions to call for payment. If the Fund Manager fails to call for payment in a timely manner and thus losses on the Fund's assets arise therefrom, the Fund Manager shall be responsible for making recovery of the losses on the Fund's assets from the parties concerned.
7. The Fund Custodian shall not entrust any third party to engage in the custody of the Funds' assets unless otherwise provided by the Laws and Regulations and the Fund Contract.

(IV) Calculation and Review of the Fund Income and the NAV of the Fund

1. NAV of the Fund

The NAV of the Fund is the amount calculated by deducting liabilities from the Total Asset Value of the Fund. For both classes of fund units, the NAV per Fund Unit refers to the amount calculated by dividing the NAV of the Fund on the calculation date by the total number of fund units of the same class on the calculation date.

The NAV per Fund Unit means the NAV of the Fund is divided by the total number of the fund units. The NAV per Fund Unit shall be calculated with precision up to 0.001 Yuan and be rounded to the third decimal place. Whereas there are provisions otherwise provided by the State, such provisions shall be observed.

Codes are assigned to Class A Unit and Class H Unit of the Fund respectively and the NAV per Fund Unit is calculated separately.

The Fund Manager shall calculate the NAV of the Fund and the NAV per Fund Unit at each Business Day, and make an announcement as stipulated after the review and verification of the Fund Custodian.

2. Procedures for Review

After the fund assets are valued by the Fund Manager on each Business Day, the Fund Manager shall send the result of the NAV per Fund Unit to the Fund Custodian, and the Fund Manager shall publish the result after the result has been reviewed and verified by the Fund Custodian.

3. In accordance with the relevant Laws and Regulations, the calculation of the NAV of the Fund and the accounting and auditing of the Fund shall be the obligations of the Fund Manager. The Fund Manager shall be responsible for the accounting of the Fund. Therefore, with regard to the accounting issues related to the Fund, if the parties involved fail to reach an agreement upon adequate discussions on the basis of equality, the NAV of the Fund calculated by the Fund Manager shall prevail and shall be published.

(V) Registration and Safekeeping of the Register of Unitholders

The register of the Unitholders shall at least contain the name of Unitholders, certificate number and the fund units held by them. The register of the Unitholders shall be prepared and kept by the Registrar of the Fund pursuant to the instructions of the Fund Manager. The Fund Manager and the Fund Custodian shall keep the register of Unitholders respectively for a retention period of not less than 15 years. The Fund Manager and the Fund Custodian shall assume the liability for improper safekeeping in accordance with the relevant Laws and Regulations.

The Fund Manager shall, pursuant to relevant regulations, send the relevant information about register of Unitholders to the Fund Custodian regularly. The Fund Manager shall not refuse without any reason or shall not defer providing the relevant information to the Fund Custodian and shall guarantee the authenticity, accuracy and completeness of the said information. The Fund Manager and the Fund Custodian shall not use the register of the Unitholders for the purposes other than the fund custody business, and shall observe the confidentiality obligation.

(VI) Settlement of Disputes and Applicable Laws

Both parties shall settle any disputes arising from or relating to this Agreement through negotiation or mediation. Whereas the disputes cannot be settled through negotiation or mediation, either party shall have the right to submit the disputes to the China International Economic and Trade Arbitration Commission for arbitration in Shenzhen according to the arbitration rules then in force of China International Economic and Trade Arbitration Commission. The arbitration award is final and binding on all the parties concerned, and the arbitration fees shall be borne by the losing party.

During the settlement of disputes, both parties shall observe their respective duties and responsibilities as the Fund Manager and the Fund Custodian, continue to perform their obligations as set forth in the Fund Contract and this Custody Agreement faithfully, diligently and responsibly, and shall maintain the legitimate interests of the Unitholders.

The Agreement shall be governed by laws of the PRC.

(VII) Modification and Termination of the Custody Agreement

1. Modification Procedures of the Custody Agreement

Both parties to this Agreement may modify the Agreement after negotiation. The new Agreement after modification shall not be contradictory to the provisions of the Fund Contract. The modifications of the Fund Custody Agreement shall take effect after the submission to the CSRC for approval or record.

2. Circumstances for Termination of the Fund Custody Agreement

- (1) The Fund Contract is terminated;
- (2) The Fund Custodian is dissolved, legally withdrawn, in bankruptcy or the fund assets are taken over by other Fund Custodians;
- (3) The Fund Manager is dissolved, legally withdrawn, in bankruptcy or the fund management rights are taken over by other Fund Managers;
- (4) Other termination events stipulated by the Laws and Regulations or the Fund Contract occur.

XX. SERVICES TO UNITHOLDERS

The Fund Manager undertakes to provide a wide range of services to the Unitholders. The Fund Manager will increase or change the service items according to the needs of Unitholders and the changes in the market. The main services are as follows:

(I) Delivery of materials

1. Account Statement of Fund Investors:

The Fund Manager will send the account statement in written or electronic form to the Unitholders involved in trading periodically or non-periodically.

2. Other relevant information

(II) Charging options

In the appropriate occasions, the Fund Manager will provide Fund Investors with several charging modes for them to invest in the Fund, so as to meet the diversified investment demands of Fund Investors. Please refer to the relevant announcement for the specific implementation method.

(III) Electronic trade services of the Fund

The Fund Manager will provide Fund Investors with electronic trade services. Investors may visit the website of the Fund Manager (www.cifm.com) for details.

(IV) Contact information

China International Fund Management Co., Ltd.

Consulting Hotline: 400 889 4888, 021 3879 4888

Website: www.cifm.com

XXI. AVAILABILITY AND INSPECTION OF THE PROSPECTUS

The Prospectus is kept in the offices and business locations of the Fund Manager and Fund Sales Agencies and copies are available free of charge for the Fund Investors. After paying the handling charge, Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

XXII. OTHER MATTERS TO BE DISCLOSED

None.

XXIII. DOCUMENTS AVAILABLE FOR INSPECTION

- (I) Documents for CIFM China Sector Rotation Fund Offering Approved by the CSRC
- (II) Fund Contract for CIFM China Sector Rotation Fund
- (III) Custody Agreement
- (IV) Legal Opinion
- (V) Approval of the Fund Manager's professional qualification certificate and business license
- (VI) Approval of the Fund Custodian's professional qualification certificate and business license
- (VII) Business Rules on Open-end Funds of China International Fund Management Co., Ltd.
- (VIII) Other documents required by the CSRC

The above documents available for inspection are kept in the offices and business locations of the Fund Manager and Fund Sales Agencies, and are available for the Fund Investors to inspect free of charge. After paying a handling charge, Fund Investors may obtain a duplicate or a copy of the above documents within a reasonable time.

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