CMS Funds
(the “Fund”)

CMS China Opportunities Flexifund
CMS Hong Kong Multi Income Fund
CMS Money Market Fund
(the “Sub-Funds”)

Fourth Addendum

This Fourth Addendum should be read in conjunction with and forms part of the explanatory memorandum of the Fund dated February 2021, as amended by the First Addendum dated 11th June 2021, the Second Addendum dated 6th August 2021 and the Third Addendum dated 29th April 2022 (the “Explanatory Memorandum”)

Important – If you are in any doubt about the contents of this Fourth Addendum, you should seek independent professional financial advice.

Unless otherwise defined or stated in this Fourth Addendum, all capitalized terms herein contained shall have the same meaning in this Fourth Addendum as in the Explanatory Memorandum.

CMS Asset Management (HK) Co., Limited, the manager of the Fund (the “**Manager**”) accepts full responsibility for the accuracy of the information contained in this Fourth Addendum and the Explanatory Memorandum as at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in this Fourth Addendum and the Explanatory Memorandum misleading.

The Securities and Futures Commission of Hong Kong ("SFC") takes no responsibility for the accuracy of any of the statements made or opinions expressed in this Fourth Addendum.

SFC authorisation is not a recommendation or endorsement of the Fund or any Sub-Fund nor does it guarantee the commercial merits of the Fund or any Sub-Fund or any of their performance. It does not mean the Fund or any Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

With immediate effect, the Explanatory Memorandum shall be amended as follows:

1. Change of Director of the Manager

The following amendments shall be made to reflect Mr. Ma Xiaoli's resignation from his directorship of the Manager with effect from 7th June 2022 and Mr. Lu Gonglu's appointment as a director of the Manager with effect from 15th August 2022:

(i) The sub-section headed "Directors of the Manager" under the section headed "**ADMINISTRATION**" on page 1 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:-

"**Directors of the Manager**

ZHANG Lixin
ZHOU Geng
LU Gonglu"

(ii) The biography of Mr. Ma Xiaoli under the sub-section headed "The Manager" of the section headed "**MANAGEMENT OF THE FUND**" on page 9 of the Explanatory Memorandum shall be replaced with the following biography of Mr. Lu Gonglu in its entirety.

"**Mr. Lu Gonglu**

Mr. Lu Gonglu is a director and the chief executive officer of China Merchants Securities International Company Limited. Previously, Mr. Lu served as general manager of China Merchants Futures Co., Ltd., a vice president of mortgage loan and bond trading department of Credit Suisse Group AG, a general manager of the NEEQ and structured finance department of Haitong Securities Co., Ltd., and assumed several positions in the China Securities Regulatory Commission, including as a member of the planning committee and head of general office in the research centre. Mr. Lu holds a bachelor's degree in probability statistics and a master's degree in economics from Peking University, and a Ph.D. in economics from the University of California, Los Angeles."

2. Investment Restrictions in relation to Money Market Funds

Under Schedule 1 of the Explanatory Memorandum, a new section 3 shall be added as follows before the existing section headed "**3. Use of financial derivative instruments**":

"***Money Market Funds***

Further, in relation to a Sub-Fund which is a money market fund ("**Money Market Fund**") under Chapter 8.2 of the Code, the following additional requirements shall apply:-

(a) subject to the provisions set out below, a Money Market Fund may only invest in short-term deposits and high quality money market instruments (i.e. securities normally dealt in on the money markets including government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptances, asset-backed securities such as asset-backed commercial papers), and money market funds that are authorised by the SFC under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC;

(b) a Money Market Fund shall maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days (or two years in the case of Government and other public securities (as defined in the Code)). For these purposes;

(i) "weighted average maturity" is a measure of the average length of time to maturity of all the underlying securities in a Money Market Fund weighted to reflect the relative holdings in each instrument; and is used to measure the sensitivity of the Money Market Fund to changing money market interest rates; and

(ii) "weighted average life" is the weighted average of the remaining life of each security held in a Money Market Fund; and is used to measure the credit risk, as well as the liquidity risk,

provided that the use of interest rate resets in variable-notes or variable-rate notes generally should not be permitted to shorten the maturity of a security for the purpose of calculating weighted average life, but may be permitted for the purpose of calculating weighted average maturity;

(c) notwithstanding sub-paragraphs (a) and (c) of the section headed "Investment limitations applicable to each Sub-Fund", the aggregate value of a Money Market Fund's holding of instruments issued by a single entity, together with any deposits held with that same entity may not exceed 10% of the latest available Net Asset Value of such Money Market Fund except:-

(i) the value of a Money Market Fund's holding of instruments and deposits issued by a single entity may be increased to 25% of the latest available Net Asset Value of such Money Market Fund if the entity is a substantial financial institution (as defined in the Code), provided that the total value of such holding does not exceed 10% of the entity's share capital and non-distributable capital reserves; or

(ii) up to 30% of a Money Market Fund's latest available Net Asset Value may be invested in Government and other public securities of the same issue; or

(iii) in respect of any deposit of less than US$1,000,000 or its equivalent in the base currency of the relevant Money Market Fund where such Money Market Fund cannot otherwise diversify as a result of its size;

(d) notwithstanding sub-paragraphs (b) and (c) of the section headed “Investment limitations applicable to each Sub-Fund”, the aggregate value of a Money Market Fund’s investments in entities within the same group through instruments and deposits may not exceed 20% of its latest available Net Asset Value provided that:

(i) the aforesaid limit will not apply in respect of cash deposit of less than US$1,000,000 or its equivalent in the base currency of such Money Market Fund, where it cannot otherwise diversify as a result of its size;

(ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity’s share capital and non-distributable capital reserves, the limit may be increased to 25%;

(e) the value of a Money Market Fund’s holding of money market funds that are authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC may not in aggregate exceed 10% of its latest available Net Asset Value;

(f) the value of a Money Market Fund’s holding of investments in the form of asset-backed securities may not exceed 15% of its latest available Net Asset Value;

(g) where permitted under the Appendix of the relevant Sub-Fund and subject to the additional investment restriction in relation to securities financing transaction and collateral to be disclosed under the Appendix of the relevant Sub-Fund, a Money Market Fund may engage in sale and repurchase transactions, and reverse repurchase transactions in compliance with the following additional requirements:

(i) the amount of cash received by the Money Market Fund under sale and repurchase transactions may not in aggregate exceed 10% of its latest available Net Asset Value;

(ii) the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the latest available Net Asset Value of the Money Market Fund;

(iii) collateral received may only be cash, high quality money market instruments and may also include, in the case of reverse repurchase transactions, government securities receiving a favourable assessment on credit quality; and

(iv) the holding of collateral, together with other investments of the Money Market Fund, must not contravene the investment limitations and requirements set out in the other provisions of this section headed "Money Market Funds" of this Schedule 1;

(h) a Money Market Fund may use financial derivative instruments for hedging purposes only;

(i) the currency risk of a Money Market Fund should be appropriately managed and any material currency risk that arises from investments of the Money Market Fund that are not denominated in its base currency shall be appropriately hedged;

(j) a Money Market Fund must hold at least 7.5% of its latest available Net Asset Value in daily liquid assets and at least 15% of its latest available Net Asset Value in weekly liquid assets. For these purposes:

(i) daily liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within one Business Day; and (iii) amount receivable and due unconditionally within one Business Day on pending sales of portfolio securities; and

(ii) weekly liquid assets refers to (i) cash; (ii) instruments or securities convertible into cash (whether by maturity or through exercise of a demand feature) within five Business Days; and (iii) amount receivable and due unconditionally within five Business Days on pending sales of portfolio securities."

3. Update to definitions

Under the section headed "**DEFINITION**" of the Explanatory Memorandum, the definitions of "HK$" and "US$" should be deleted in their entirety and be respectively replaced with the followings:

> " "HK$" or "HKD" or "HK Dollars" Means Hong Kong Dollars, the lawful currency of Hong Kong".
>
> " "US$" or "USD" or "US Dollars" Means the lawful currency of the United States of America".

4. Establishment of CMS Money Market Fund

The following amendments shall be made for the establishment of CMS Money Market Fund, a new Sub-Fund of CMS Funds:

(a) the 2nd paragraph under the section headed "**Introduction**" on page 9 of the Explanatory Memorandum should be amended and restated as follows:

"CMS Funds is an umbrella unit trust currently offering 3 Sub-Funds, CMS China Opportunities Flexifund, CMS Hong Kong Multi Income Fund and CMS Money Market Fund. The Manager may create further Sub-Funds in the future. Investors should contact the Manager to obtain the latest offering document relating to the available Sub-Funds."

(b) The following should be added as a new appendix after "**Appendix II – CMS Hong Kong Multi Income Fund**":

"Appendix III - CMS Money Market Fund

This Appendix comprises information in relation to CMS Money Market Fund, a Sub-Fund of the Fund.

Initial Offer

The initial offer period for offering Units of CMS Money Market Fund will be from 9:00 a.m. (Hong Kong time) on 15 November 2022 to 5:00 p.m. (Hong Kong time) on 25 November 2022 (or such other dates as the Manager and the Trustee may determine).

The following classes of Units set out in the table below are initially being offered at the respective initial offer prices during the initial offer period:

Class	Initial offer price per Unit (exclusive of preliminary charge)
Class A Units	HKD100
Class B Units	HKD100
Class I Units	HKD100

The Manager is currently entitled to charge a preliminary charge of 3% of the total subscription amount received (before deducting the preliminary charge) in relation to an application in respect of Class A, Class B and Class I Units, subject to the maximum level of preliminary charge which the Manager is entitled to charge at its discretion (i.e. 5% on the subscription amount as stated under the section headed "Application Procedure" in the main part of the Explanatory Memorandum).

Units will be issued on 28 November 2022 or the first Business Day following the last day of the initial offer period (or such other day as the Manager and the Trustee may agree and notify to the applicants for Units in the Sub-Fund) in respect of applications received prior to 5:00 p.m. (Hong Kong time) on the last day of the initial offer period and accepted by the Manager. Payment for Units subscribed during the initial offer period shall be due in cleared funds prior to the close of the relevant initial offer period or such later date as the Manager with the approval of the Trustee may determine. If application and/or cleared funds are received after that time, such applications shall be carried forward to the next Dealing Day.

Base Currency

The base currency of the Sub-Fund is HKD.

Investment Objective and Policy

CMS Money Market Fund seeks to achieve a return in Hong Kong dollars in line with a combination of HK Dollars and US Dollars money market rates, with primary considerations of both capital security and liquidity.

Investment Strategy

The Sub-Fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its Net Asset Value) in HKD denominated and USD denominated short-term deposits and high-quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions or other corporations. The asset allocation of the Sub-Fund will change according to the Manager's view of market conditions and the international investment trends and environment. The Manager will compare the yield spread of money market instruments denominated in the different currencies (HKD and USD), and will take into consideration factors such as currency risk, liquidity, costs, timing of execution and the relative attractiveness of individual securities and issuers in the market.

High-quality money market instruments include but are not limited to government bills, short term notes, bankers' acceptance, commercial papers, certificates of deposits, commercial bills and high-quality debt securities. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments will be taken into account. The Sub-Fund may also invest up to 10% of its net asset value in money market funds which are authorized by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

High-quality debt securities invested by the Sub-Fund include but are not limited to government bonds, fixed and floating rate bonds. The Sub-Fund will not invest in instruments with loss-absorption features (such as contingent convertible bonds or senior non-preferred debt). The Sub-Fund will only invest in money market instruments and debt securities rated investment grade or above by Fitch, Moody's or Standard and Poor's. A money market instrument or debt security is considered to be of investment grade if any one of its credit rating by Fitch, Moody's or Standard and Poor's can satisfy any one the following rating requirements at the time of investment: (i) BBB- or higher by Standard & Poor's, (ii) BBB- or higher or by Fitch, or (iii) Baa3 or higher by Moody's. For this purpose, if the relevant debt security does not itself have a credit rating, then reference can be made to the credit rating of the issuer of such debt security. Where the credit ratings of the relevant debt securities are downgraded to ratings which are below BBB- by Standard & Poor's, BBB- by Fitch and Baa3 by Moody's, the Manager will, having regard to the interests of the Unitholders, seek to dispose of all such downgraded debt securities in a gradual and orderly manner in light of the then prevailing market conditions.

Investment in urban investment bonds will be limited to 10% of the Sub Fund's Net Asset Value. "Urban investment bonds (城投債)" invested by the Sub-Fund are issued by local government financing vehicles ("**LGFV**") in Mainland interbank bond market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment and infrastructure projects.

There is no specific geographical allocation of the country of issue of the Sub-Fund's investments. Countries or regions in which the Sub-Fund may invest in include but are not limited to the greater China region (which includes mainland China, Hong Kong, Taiwan, Macau) and other developed markets.

The aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the total Net Asset Value of the Sub-Fund except: (i) where the entity is a substantial financial institution (as defined in the Code) and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of Government and other public securities (as defined in the Code), up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other public securities.

The Sub-Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses

Financial Derivative Instruments (“FDI”)

The Sub-Fund may invest in FDI for hedging purposes only but not for investment purposes. The Sub-Fund will not write any options. Any material currency risk from non-HKD denominated investments will be appropriately hedged into HKD.

Sale and Repurchase Transactions

Currently, the Manager has no intention to enter into securities lending transactions, repurchase agreements, reverse repurchase agreements or similar over-the-counter (“**OTC**”) transactions on behalf of the Sub-Fund. The Sub-Fund may by giving to the Unitholders no less than one (1) month’s prior written notice (or such shorter period of notice as the SFC may approve or allow) engage in securities lending transactions, repurchase agreements, reverse repurchase agreements or similar OTC transactions on behalf of the Sub-Fund.

Specific Risk Factors

Investors should refer to the relevant risks under the section headed “**Risk Factors**” in the main part of the Explanatory Memorandum, and the following specific risk factors for the Sub-Fund:

General investment risk - the Sub-Fund’s investment portfolio may fall in value due to any of the key risk factors below and therefore Unitholders’ investment in the Sub-Fund may suffer losses. The Sub-Fund does not have a constant Net Asset Value and does not guarantee the repayment of investment principal. The Manager has no obligation to redeem Units at the offer value. Further, there is no guarantee that the investment objective of the Sub-Fund can be achieved. There is also no guarantee of regular dividend or distribution payments during the period investors hold Units of the Sub-Fund.

The Sub-Fund is an investment fund. Investors should note that purchase of a Unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Please also refer to the risk factor headed “**Investment risk**” in the main part of the Explanatory Memorandum.

Risks relating to money market instruments/ debt securities

Short-term instruments risk - As the Sub-Fund invests significantly in short-term instruments with short maturities, it means the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund.

Credit / counterparty risk - The Sub-Fund is exposed to the credit/default risk of issuers of the money market instruments and debt securities that it invests in. Such debt securities are typically unsecured debt obligations and are not supported by collateral. It will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of the debt securities only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/default risk of its counterparties as an unsecured creditor.

The Sub-Fund is exposed to the risk that a counterparty in a transaction may default in its obligation to settle the transaction, or may be unable or unwilling to make timely payments on principal and/or interest. Where its counterparty does not perform its obligations under a transaction, the Sub-Fund may sustain substantial losses. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against issuers incorporated outside Hong Kong and subject to foreign laws.

Please also refer to the risk factor headed "**Credit risk**" in the main part of the Explanatory Memorandum.

Interest rate risk - Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Changes in monetary policies, such as interest rates policies, may have an adverse impact on the pricing of debt securities, and thus the return of the Sub-Fund.

Please also refer to the risk factor headed "**Interest rates risk**" in the main part of the Explanatory Memorandum.

Credit rating risk - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the debt security and/or issuer at all times. Investors should note that even if a security may be assigned a certain credit rating at the time the Sub-Fund acquires the debt security, there is no assurance that (a) it will not be downgraded or (b) it will continue to be rated in future. The credit rating of a debt security is not the only selection criterion used by the Manager. Whilst the Manager may use credit ratings for reference in its investment process, it will primarily refer to its internal assessments to evaluate the credit quality of debt securities, for example, when it believes that the credit rating given by credit rating agencies does not adequately reflect the credit risks.

Downgrading risk - The credit rating of a debt security or its issuer may be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt securities that are being downgraded. If the Sub-Fund continues to hold the relevant debt securities, it will be subject to additional risk of loss.

Please also refer to the risk factor headed "**Credit rating and downgrading risk**" in the main part of the Explanatory Memorandum.

Valuation risk - Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Sub-Fund may be adversely affected.

The value of debt securities may be affected by changing market conditions or other significant market events affecting valuation. In adverse market conditions or where an adverse event happens to the issuer (e.g. credit rating downgrading), the value of lower rated debt securities may decline in value due to investors' perception over credit quality.

Volatility and liquidity risk - The debt securities in some of the markets that the Sub-Fund invests in (e.g. mainland China as an emerging market) may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of debt securities traded in such markets may be subject to fluctuations. The price at which the debt securities are traded may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates. The bid and offer spreads of the prices of such debt securities may be large and the Sub-Fund may incur significant trading costs.

There may not be an active secondary market for the debt securities the Sub-Fund invests in. The Sub-Fund is therefore subject to liquidity risks and may suffer losses in trading such instruments. Even if the debt securities are listed, the market for such debt securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the Sub-Fund may need to hold the debt securities until their maturity date.

There is a risk that if the Sub-Fund is required to meet sizeable redemption requests, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and it may incur significant trading and realisation costs and suffer losses accordingly.

Please also refer to the risk factors headed "**Volatility risk**" and "**Liquidity risk**" in the main part of the Explanatory Memorandum. For details in relation to the Fund's liquidity risk management process, please refer to the section headed "**Liquidity Risk Management**" in the main part of the Explanatory Memorandum.

Sovereign debt risk - The Sub-Fund's investment in debt securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

Risks associated with bank deposits - Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

Currency risks - Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

Please also refer to the risk factor headed "**Currency risk**" in the main part of the Explanatory Memorandum.

Urban investment bonds risk - Urban investment bonds are issued by LGFVs, such bonds are typically not guaranteed by local governments or the central government of the PRC. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the Net Asset Value of the Sub-Fund could be adversely affected.

In view of limitations on directly raising funds, local governments (or their affiliates) in Mainland China have set up numerous entities known as LGFVs that are separate legal entities to fund local development or raise financing for public welfare investment or infrastructure projects. The debts issued by LGFVs are sometimes referred to as "urban investment bonds".

The LGFVs' ability to repay debts depends on various factors, including the nature of the business of such LGFVs, the financial strength of such LGFVs and the extent to which the relevant local governments are prepared to support such LGFVs. Slower revenue growth at some local governments may constrain their capacity to provide support, while regulatory constraints may also limit local governments' ability to inject land reserves into LGFVs. Further, local governments have taken on debt in various other forms, and recent analyses show that increased financing activities have posed a risk to local government finances. If a LGFV encounters financial difficulties, without the local government's support, there is a risk of possible defaults by the LGFV.

Local governments may be seen to be closely connected to urban investment bonds, as they are shareholders of the LGFVs issuing such bonds. However, urban investment bonds are typically not guaranteed by the relevant local governments or the central government of the PRC. As such, local governments or the central government of the PRC are not obliged to support any LGFVs in default. Therefore, bond holders (such as the Sub-Fund) will be fully exposed to the credit/insolvency risk of the LGFVs as an unsecured creditor. In the event of default, the Sub-Fund may sustain significant losses in its investments in bonds issued by LGFVs, and its Net Asset Value will be adversely affected.

LGFVs take on loans in a substantial amount from Mainland Chinese banks, and the total outstanding loans have risen rapidly in recent years. This has led the China Banking Regulatory Commission to require banks to limit their holdings of bonds sold by LGFVs. It was announced that the National Audit Office would start a nationwide assessment of government liabilities in order to address concerns about rising debts from local development projects. However, there is no assurance that the extent of local government debts can be comprehensively and accurately assessed.

Concentration risk - The Sub-Fund's investments are concentrated in HKD or USD denominated deposits and money market instruments. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.

Please also refer to the risk factor headed "**Concentration risk**" in the main part of the Explanatory Memorandum.

Derivative instruments / hedging risk

Risks associated with investment in FDI - FDI may be illiquid and are complex in nature. Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDI may lead to a high risk of significant loss by the Sub-Fund.

Hedging risk - Insofar as the Sub-Fund acquires derivative instruments for hedging, it will be subject to additional risks. There can be no assurance that any hedging techniques will fully and effectively eliminate the risk exposure of the Sub-Fund.

Please also refer to the relevant risk factors "**Counterparty risk**", "**Over-the counter markets risk**" and "**Hedging risk**" in the main part of the Explanatory Memorandum.

Available Classes

The following classes of Units are available for sale in Hong Kong at their prevailing Issue Prices pursuant to the section headed "Purchase of Units" above.

Class	Class currency
Class A Units	HKD
Class B Units	HKD
Class I Units	HKD

Investment Minima

Minimum Subscription Amount	Class A: HKD1 Class B: HKD10,000 Class I: HKD1,000,000
Minimum Subsequent Subscription Amount	Class A: HKD1 Class B: HKD10,000 Class I: HKD1,000,000
Minimum Holding	Class A: Units with aggregate minimum value of HKD1 Class B: Units with aggregate minimum value of HKD10,000 Class I: Units with aggregate minimum value of HKD1,000,000
Minimum Redemption Amount	Class A: Units with aggregate minimum value of HKD1 Class B: Units with aggregate minimum value of HKD10,000 Class I: Units with aggregate minimum value of HKD1,000,000

Fees

Fees payable by investors

Preliminary Charge (% of the subscription amount)	Class A: up to 3% of the subscription amount Class B: up to 3% of the subscription amount Class I: up to 3% of the subscription amount
Redemption Charge (% of Redemption Price)	Class A: Nil Class B: Nil Class I: Nil
Switching Charge	Class A: up to 0.5% Class B: up to 0.5% Class I: up to 0.5%

Fees payable by the Sub-Fund

Management Fee (% Net Asset Value of the relevant class)	Class A: 0.30*% Class B: 0.15*% Class I: 0.05*% *subject to the maximum level of management fee which the Manager may charge up to by giving unitholders at least one month's prior notice (i.e. 2% per annum as stated under the section headed "Management Fee" in the main part of the Explanatory Memorandum)
Performance Fee	Class A: Nil Class B: Nil Class I: Nil

Trustee Fee (% Net Asset Value of the relevant class)	Class A, Class B and Class I: Up to 0.075**% of the value of each class **subject to a minimum monthly fee of HKD35,000 for the Sub-Fund and the maximum level of trustee fee which the Trustee may charge up to upon giving unitholders at least one month's prior notice (i.e. 0.5% per annum as stated under the section headed "Trustee Fee" in the main part of the Explanatory Memorandum)
Custody Fees (% Net Asset Value of the Sub- Fund)	Class A, Class B and Class I: Up to 0.03%

Establishment Costs

Notwithstanding the disclosure under the "Establishment Costs" section in the main part of the Explanatory Memorandum, the establishment costs and payments incurred in the establishment of CMS Money Market Fund, saved to the extent voluntarily paid by the Manager, are to be borne by the Sub-Fund as an expense of the Sub-Fund, amortised over the first five (5) Accounting Periods of the Sub-Fund. The total establishment costs of the Sub-Fund to be borne by the Sub-Fund are estimated to be around HKD450,000.

Dealing Day

Dealings in Units of the Sub-Fund will be on a daily basis, with the Dealing Day being each Business Day.

Dealing Deadline

11:00 a.m. (Hong Kong time) on the relevant Dealing Day, or such other time or other Business Day as the Manager may determine from time to time with the approval of the Trustee. The Authorised Distributor(s) may impose an earlier cut-off time before the Dealing Deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should confirm the arrangements with the Authorised Distributor(s) concerned on the arrangements and dealing procedures that are applicable to them.

Subscription, Redemption and Switching of Units

For details regarding the procedures for subscription, redemption and switching, see the main part of the Explanatory Memorandum under "Purchase of Units", "Redemption of Units" and "Switching between Classes".

Distributions

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. There is no guarantee that the

Sub-Fund will make any regular dividend distribution nor is there any guarantee on the amount of dividend being distributed from time to time.

Valuation

Valuation Days will be each Dealing Day and the Valuation Point is the close of business in the last relevant market to close on each Valuation Day, or such other time as the Manager and the Trustee may determine from time to time. The Net Asset Value per Unit of the Sub-Fund at each Valuation Day will be available on the Manager's website at https://am.cmschina.com.hk/en/fund_products_select.php. This website has not been reviewed or authorised by the SFC.

Documents Available for Inspection

Please refer to the section headed "**Documents Available for Inspection**" in the main part of the Explanatory Memorandum.

A copy of the Explanatory Memorandum and this First Addendum will be posted on the Manager's website (http://www.cmschina.com.hk/AM/FundProduct). Investors should note that the Manager's website has not been reviewed or authorised by the SFC and may contain information of funds not authorised by the SFC.

CMS Asset Management (HK) Co., Limited

Date: 14 November 2022