

**CMS Funds
(the “Fund”)**

**CMS Hong Kong Multi Income Fund
CMS Money Market Fund
CMS USD Money Market Fund
(each a “Sub-Fund”, collectively the “Sub-Funds”)**

NOTICE TO UNITHOLDERS

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

This notice is important and requires your immediate attention. If you are in any doubt about the content of this notice, you should seek independent professional financial advice.

Capitalised terms used in this notice shall have the same meanings ascribed to them in the explanatory memorandum of the Fund dated February 2021 (as amended from time to time) (“**Explanatory Memorandum**”) unless the context otherwise requires. CMS Asset Management (HK) Co., Limited (the “**Manager**”) accepts responsibility for the accuracy of the contents of this notice as at the date of this notice, 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 misleading.

Dear Unitholders,

We, the Manager of the Fund and the Sub-Funds, wish to inform you of the following changes.

Update of the address of the Trustee

The address of the Trustee of the Fund and the Sub-Funds, BOCI-Prudential Trustee Limited, is updated from 12/F & 25/F, Citicorp Centre, 18 Whitfield Road, Causeway Bay, Hong Kong, to Suites 1501-1507 & 1513-1516, 15/F, 1111 King's Road, Taikoo Shing, Hong Kong.

Proposed changes to CMS Hong Kong Multi Income Fund

The following proposed changes (the “**Proposed Changes**”) will be introduced to CMS Hong Kong Multi Income Fund with effect from 30 June 2025 (the “**Effective Date**”):

1. **Appointment of the Sub-Manager**

From the Effective Date, CMB International Asset Management Limited will be appointed as the sub-manager of the Sub-Fund (the “**Sub-Manager**”) pursuant to a sub-investment management agreement. The Manager will delegate part of its investment management functions in respect of the Sub-Fund to the Sub-Manager. Subject to the overall control and supervision of the Manager, the Sub-Manager will, during the term of its appointment, manage, on a discretionary basis, the Sub-Fund's investments in equity securities traded on stock exchanges outside of Hong Kong and Mainland China or such other portion of assets and investments of the Sub-Fund which are allocated to the Sub-Manager (the “**Portfolio**”). The Sub-Manager will exercise the investment discretion with respect to the Portfolio, while Manager will remain responsible for the other aspects of the operation of the Sub-Fund with respect to the Portfolio.

The fees payable to the Sub-Manager will be included in the management fee. There will be no change in the fee level or cost in managing the Sub-Fund following the appointment of the Sub-Manager.

The appointment of the Sub-Manager is intended to leverage the investment management capabilities and expertise of the Sub-Manager for managing the relevant parts of the Sub-Fund's portfolio.

Save as disclosed above, there will be no change in the operation and/or manner in which the Sub-Fund is being managed. The appointment of the Sub-Manager will not materially prejudice the rights or interests of the existing investors of the Sub-Fund.

2. Change in investments in the onshore market of Mainland China

From the Effective Date, the Sub-Fund's investments in the onshore market of Mainland China will be changed as follows:

	Current investment strategy	Revised investment strategy
China A-Shares	The Sub-Fund may invest up to 30% of its Net Asset Value in China A-Shares through the Stock Connect and/or the status of a QI.	The Sub-Fund may invest up to <u>20%</u> of its Net Asset Value in China A-Shares through the Stock Connect and/or the status of a QI.
Debt securities issued and distributed within Mainland China	The Sub-Fund may invest up to 30% of its Net Asset Value in debt securities issued and distributed within Mainland China through the Bond Connect, the CIBM Initiative and/or the status of a QI.	The Sub-Fund may invest up to <u>20%</u> of its Net Asset Value in debt securities issued and distributed within Mainland China through the Bond Connect, the CIBM Initiative and/or the status of a QI.
Reverse repurchase transactions	The Manager may enter into reverse repurchase transactions in respect of the Sub-Fund. The maximum and expected proportion of the Net Asset Value of the Sub-Fund that can be subject to reverse repurchase transactions are 25%. Such reverse repurchase transactions will only be conducted on the SSE or the SZSE through the Stock Connect and/or the status of a QI.	The Sub-Fund will not engage in reverse repurchase transactions.

The Sub-Fund's aggregate investment in the onshore market of Mainland China (including any China A-Shares and debt securities issued and distributed within Mainland China) will also be limited to a maximum of 20% of its Net Asset Value.

The investment objective of the Sub-Fund will remain unchanged following the implementation of the above changes from the Effective Date. Except as described above, there will be no other changes to the investment strategy of the Sub-Fund.

The above changes will result in a reduction in the Sub-Fund's exposure to the onshore market of Mainland China, thereby reducing its associated exposure to risks such as China A-Shares risk, risks associated with the SME board, ChiNext market and/or STAR board, risks

relating to QI, risks relating to the Stock Connect, risk relating to the China Interbank Bond Market and Mainland China tax risk.

3. Removal of performance fee for Class A Units

With effect from the Effective Date, Class A Units of the Sub-Fund will no longer be subject to a performance fee. For the avoidance of doubt, Class A Units will continue to accrue any performance fee on each Valuation Day up to but excluding the Effective Date.

4. Reduction of management fee for Class B Units

The management fee for Class B Units of the Sub-Fund has been temporarily reduced from 1.5% per annum to 1.0% per annum of the Net Asset Value of the relevant class from 1 February 2016 until further notice. With effect from the Effective Date, the management fee for Class B Units will be reduced to 0.6% per annum of the Net Asset Value of the relevant class. As a result of the reduction in management fee, the ongoing charges figure disclosed in the Product Key Facts Statement (“**KFS**”) of the Sub-Fund will also be updated on or around the Effective Date.

5. Introduction of new classes of Units

From the Effective Date, the following new classes of Units will be available for subscription in Hong Kong in respect of the Sub-Fund:

- Class D RMB (Dist)
- Class D RMB (Acc)
- Class D HKD (Dist)
- Class D HKD (Acc)
- Class D USD (Dist)
- Class D USD (Acc)
- Class M HKD (Dist)
- Class M HKD (Acc)
- Class M RMB (Dist)
- Class M RMB (Acc)

Class M Units will only be offered to affiliated companies and employees of the Manager subject to the Manager’s discretion.

The key features of the new classes of Units are set out below:

New Classes of Units	Minimum Subscription Amount	Preliminary Charge	Management Fee*
Class D RMB (Dist)	Units with aggregate minimum value of RMB1,000	Up to 5% of the subscription amount	1.35% p.a.
Class D RMB (Acc)	Units with aggregate minimum value of RMB1,000	Up to 5% of the subscription amount	1.35% p.a.
Class D HKD (Dist)	Units with aggregate minimum value of HK\$1,000	Up to 5% of the subscription amount	1.35% p.a.
Class D HKD (Acc)	Units with aggregate minimum value of HK\$1,000	Up to 5% of the subscription amount	1.35% p.a.

Class D USD (Dist)	Units with aggregate minimum value of USD100	Up to 5% of the subscription amount	1.35% p.a.
Class D USD (Acc)	Units with aggregate minimum value of USD100	Up to 5% of the subscription amount	1.35% p.a.
Class M HKD (Dist)	Units with aggregate minimum value of HK\$1,000	Up to 5% of the subscription amount	Nil
Class M HKD (Acc)	Units with aggregate minimum value of HK\$1,000	Up to 5% of the subscription amount	Nil
Class M RMB (Dist)	Units with aggregate minimum value of RMB1,000	Up to 5% of the subscription amount	Nil
Class M RMB (Acc)	Units with aggregate minimum value of RMB1,000	Up to 5% of the subscription amount	Nil

** The current rate may be increased up to a specified permitted maximum level as set out in the Explanatory Memorandum by giving one month's prior notice to Unitholders.*

For further details of the new classes of Units, please refer to the updated Explanatory Memorandum and KFS of the Sub-Fund which will be available on or around the Effective Date.

6. Renaming of Class A Units and Class B Units

In light of the introduction of the new classes of Units, the names of the existing classes of Units of the Sub-Fund, namely "Class A Units" and "Class B Units", will be changed to "Class A HKD (Dist) Units" and "Class B HKD (Dist) Units" from the Effective Date. Save for the change in the name, there will be no change in the class currency, distribution policy or other features of such Units.

7. Implications to CMS Hong Kong Multi Income Fund

The Manager confirms that (i) the Proposed Changes do not amount to material changes to the Sub-Fund; (ii) there will be no material change or increase in the overall risk profile of the Sub-Fund following the implementation of the Proposed Changes; and (iii) the Proposed Changes will not have a material adverse impact on Unitholders' rights or interests (including changes that may limit Unitholders' ability in exercising their rights).

The costs and/or expenses incurred in connection with the implementation of the Proposed Changes are estimated to be approximately HK\$235,000 and will be borne by the Sub-Fund.

Investors who do not wish to remain invested in the Sub-Fund on or after the Effective Date may redeem their Units free of redemption charge at any time prior to the Effective Date. For the avoidance of doubt, the Sub-Fund currently does not charge any redemption charge.

General

The Explanatory Memorandum and KFS of CMS Hong Kong Multi Income Fund will be updated on or around the Effective Date to reflect the above changes and other miscellaneous updates, including changes to facilitate the proposed offering of CMS Hong Kong Multi Income Fund to investors in Mainland China under the Mainland-Hong Kong Mutual Recognition of Funds regime (which will be subject to the approval of the China Securities Regulatory Commission).

The updated Explanatory Memorandum and KFS of the CMS Hong Kong Multi Income Fund will be available on the Manager's website at <http://www.cmschina.com.hk/AM/FundProduct> (this website has not been reviewed by the SFC) on or around the Effective Date.

Copies of the Trust Deed and any supplemental deeds, all material contracts and the latest financial reports of the Fund are available for inspection during normal working hours at the offices of the Manager free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee.

If you have any questions or require further information, please contact the Manager at 48/F One Exchange Square, 8 Connaught Place, Central, Hong Kong, or by telephone at (852) 2530 0698.

Yours faithfully,

For and on behalf of
CMS Asset Management (HK) Co., Limited
as the Manager of the Fund and the Sub-Funds

30 May 2025