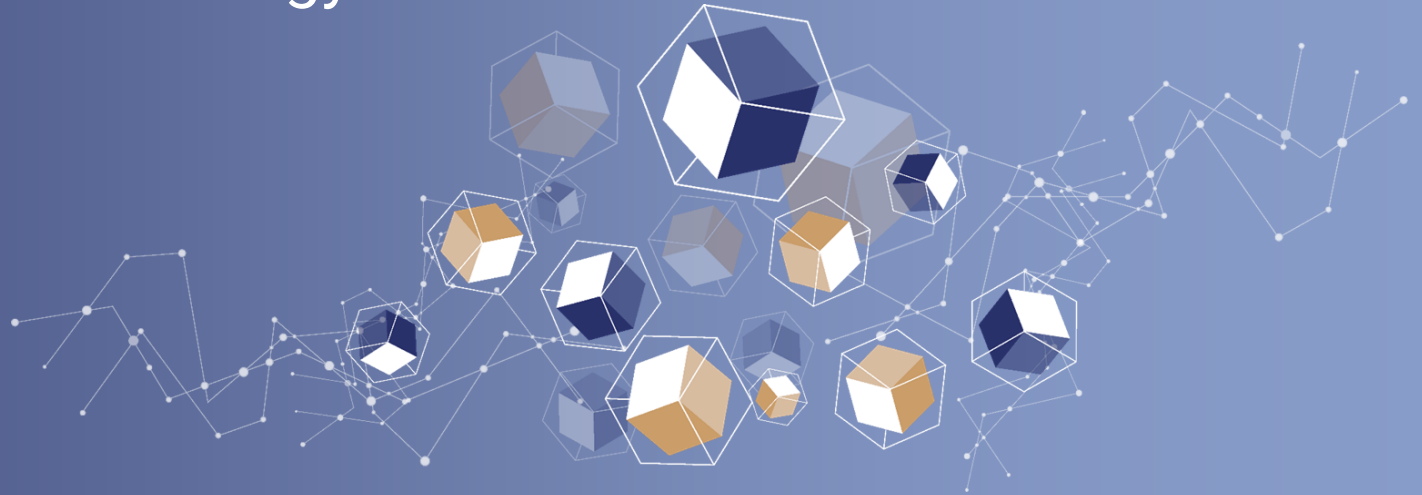


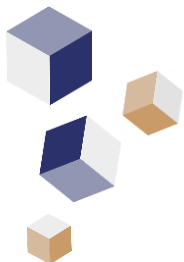


Redefining Access to US Treasuries

May, 2024

US Treasury 20+ Years Index Strategy

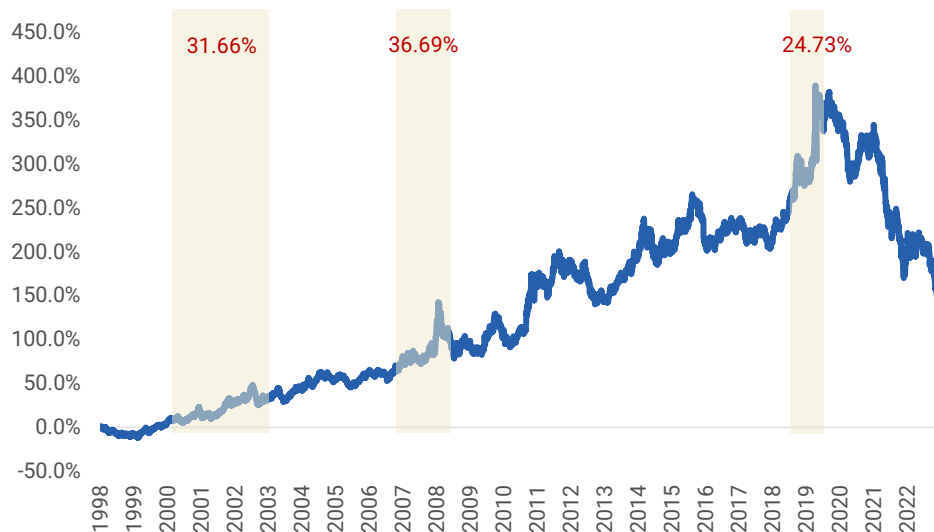




Why Now? Substantial Principal Rally in Rate-cut Cycles

FTSE US Treasury 20+ Years Index provided high resilience in rate-cut cycle, mainly stemming from *principal returns*.

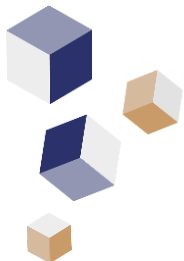
FTSE US Treasury 20+ Year Index Performance*



Total Return Breakdown in Rate-cut Cycles

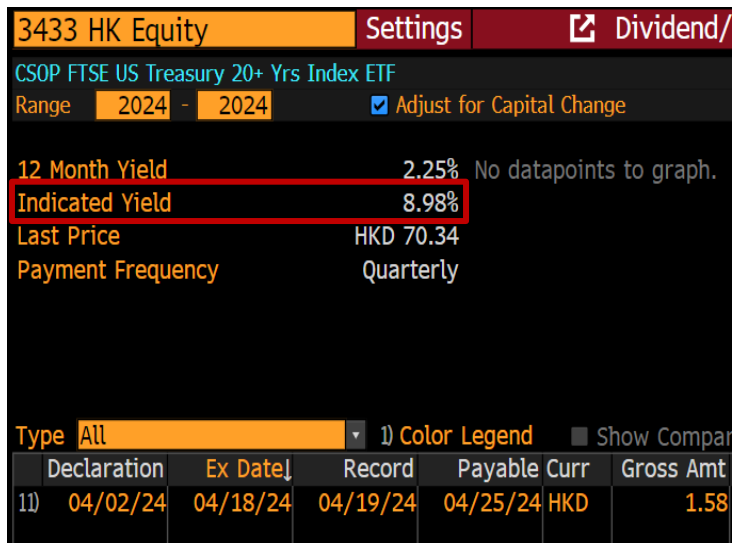
Rate-cut Cycle (%)	2001/03 – 2003/06	2007/09 – 2008/12	2019/07 – 2020/03
Interest**	14.81	5.97	1.64
Principal	14.73	29.08	22.77
Reinvestment	2.12	1.64	0.33
Total Return	31.66	36.69	24.73
Annualized Return	11.7	28.6	42.2

Source: Bloomberg, FTSE Russell. *1998/12/1-2023/11/30. The above information is for reference only, and does not constitute an investment advice of, or an offer, solicitation, or recommendation to buy or sell any securities or investment products in any country or jurisdiction. Investment involves risk. Past performance is not indicative of future performance. **Interest includes coupon and accrued interest.

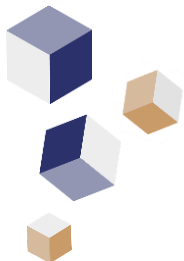


Why Now? High interest rates support Strong Income

CSOP FTSE US Treasury 20+ Years ETF (3433.HK) distributed first quarter dividend of **HK\$ 1.58**, where **annualized dividend yield exceeds 8%**.



Source: Bloomberg, CSOP. For illustration purpose only. Not to be constituted as a recommendation to buy/sell securities in the above-mentioned sectors or investment types.



Why ETF – A Nimblener approach to access US Treasury Market

Normally, **foreign individual investors hardly access** US Treasury Market directly, and may face a series problems of wide bid-ask spread, high cost, low transparency, high foreign exchange cost, etc.

ETF could be the **easiest and most efficient tool** for normal retail investors for Treasury investment.

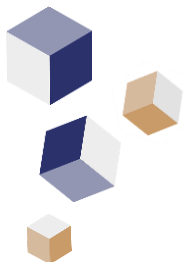
	Direct Investment	easy UST ETF
Convenience	A small number of brokers/banks provide such services for individual investors, and individual investors usually cannot invest with stock trading account	Anyone with stock trading account Transaction completed in one click
Transparency	Low. UST market is an over-the-counter (OTC) market, so the quotes, fees, and processes are not transparent	High. NAV, intra-day prices, and portfolio holdings are available daily
Trading Cost	High. <ul style="list-style-type: none"> The bid-ask spread for individual investors are ~10 bps The brokers/banks usually charge custodian fees, brokerage fees, etc. 	Relatively Low. <ul style="list-style-type: none"> The bid-ask spread for institutional investors is only ~2-3 bps The ongoing charges over a year is estimated to be 0.25% each year.
Foreign Exchange Cost	High. Foreign currency conversion in HK banks usually charges the fee of >0.5% with unfriendly exchange rate	Low. ETF manager have the institutional advantages to get better exchange rates without fees

Compared with HK listed US UST ETF
No Dividend Tax! 

For non-US alien investors, the dividend income from investing US-listed US Treasury bonds ETFs will be subject to **30% withholding tax.**

However, **dividend** from investing HK-listed US Treasury bond ETFs are **NOT taxable.**

Source: CSOP, as of 2024/05/16. The above information is for reference only, and does not constitute an investment advice of, or an offer, solicitation, or recommendation to buy or sell any securities or investment products in any country or jurisdiction. Investment involves risk.



Why ETF: FTSE US Treasury 20+ Years Index

The Index measures the performance of the US Treasury securities with maturity greater than or equal to 20 years that are in the FTSE World Government Bond Index.

Basic Information

Index Name	FTSE US Treasury 20+ Years Index
Index Type	Total Return Index
Launch Date	November 1986
Base Date and Value	31 December 1984: 100
Market Value	USD 1,285.96 billion
Rebalance Frequency	Monthly
Bloomberg Ticker	CFIIU2PL



Index Profile

# of Issues	40
Average Coupon	2.77%
Average Life (Years)	25.96
Average Yield to Maturity	4.81
Effective Duration	16.40

Screening Criteria

The FTSE World Government Bond Index

The FTSE World Government Bond Index measures the performance of fixed-rate, local currency, investment-grade government bonds. It is comprised of sovereign debt from over 20 countries with more than 30 years of history available.

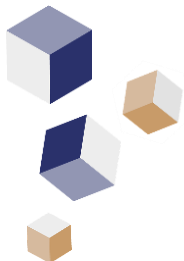
- (i) **Composition** – US Treasury securities denominated in **USD**;
- (ii) **Minimum maturity** – the securities must have a maturity greater than or equal to **20 years**;
- (iii) **Coupon** – the securities may pay **fixed-rate coupon**;
- (iv) **Minimum issue size** – the securities must have a **minimum USD5 billion public amount outstanding**, excluding Federal Reserve holdings; and
- (v) **Quality** – the securities must be rated **investment grade**. For the purpose of the Index, “investment grade” means a credit rating at or above BBB- by Standard & Poor’s or BBB3 or higher by Moody’s.

Variable rate, floating-rate, fixed-to-floating rate, index-linked, retail directed, bills, stripped zero coupon, convertibles, savings, private placements and retail bonds are excluded from the Index.

FTSE US Treasury 20+ Years Index

Source: FTSE Russell, as of 2024/04/30. The above information is for reference only, and does not constitute an investment advice of, or an offer, solicitation, or recommendation to buy or sell any securities or investment products in any country or jurisdiction. Investment involves risk.



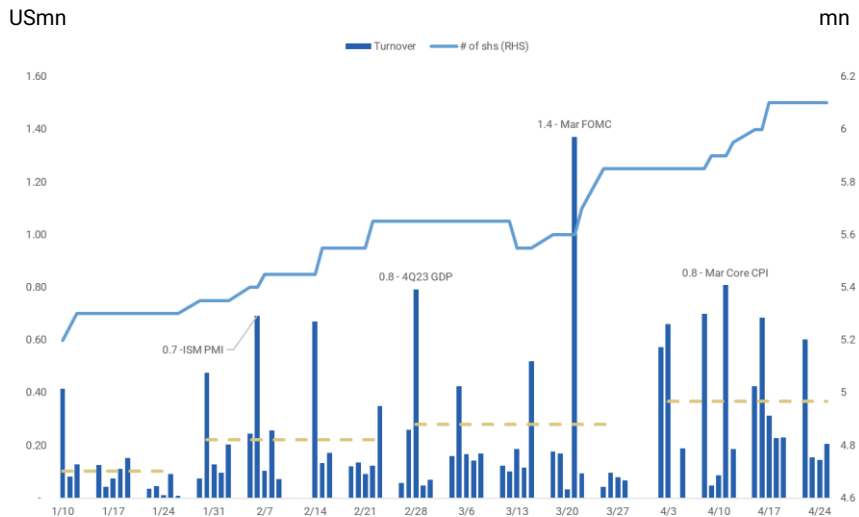


Why 3433 - Most Actively Traded on HKEX

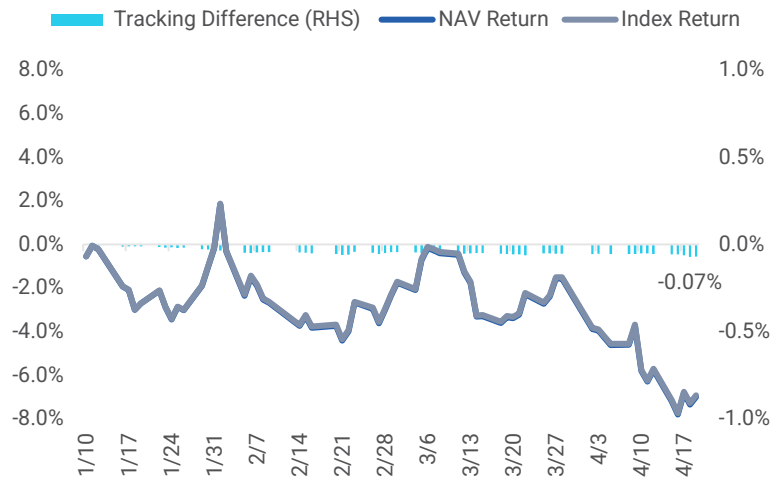
CSOP FTSE US Treasury 20+ Years ETF (3433.HK) secondary market trading ecosystem grew maturing, providing **liquid buy/sell opportunities in Asia hours** with **steadily expanding investor base**.

Close trade collaboration with US banks and diligent fund management secured the firmly index-tracking return, where the tracking difference only recorded **-7bps since inception**.

Growing Turnover & Fund Share Outstanding

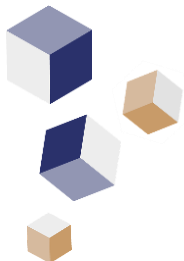


Fund Return Tightly Tracks Underlying Index



Source: CSOP, data as of Apr 24, 2024.

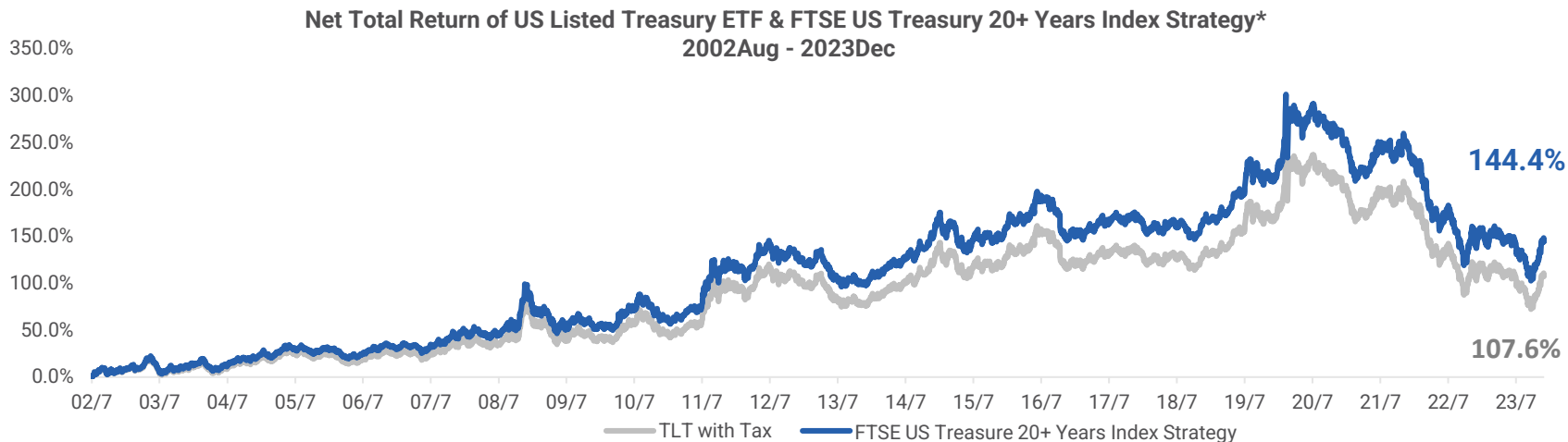




Why 3433? – No Withholding Tax

In comparison to US listed treasury ETF, the FTSE US Treasury 20+ Years Index Strategy **saves the 30% dividend tax each quarter.**

We can facilitate investors with real-time execution or NAV flat approach to **minimize your transaction cost.**



Source: CSOP, as of 20231229.

*Net total return refers to net of tax NAV return for US Listed Treasury ETF. Net of dividend distribution fee return of the FTSE US Treasury 20+ Years Index Strategy assumes the FTSE US Treasury 20+ Years Index Strategy had same NAV return over the past 20 years but with quarterly dividend frequency and no dividend tax.

The backtested performance data is for illustrative purposes only, it is hypothetical and not indicative of the actual return likely to be achieved. Investment involves risk. The above illustration is for reference only, and does not constitute an investment advice of, or an offer, solicitation, or recommendation to buy or sell any securities or investment products in any country or jurisdiction.



CSOP USD Money Market Fund (Ticker: CSOPUMM SP)



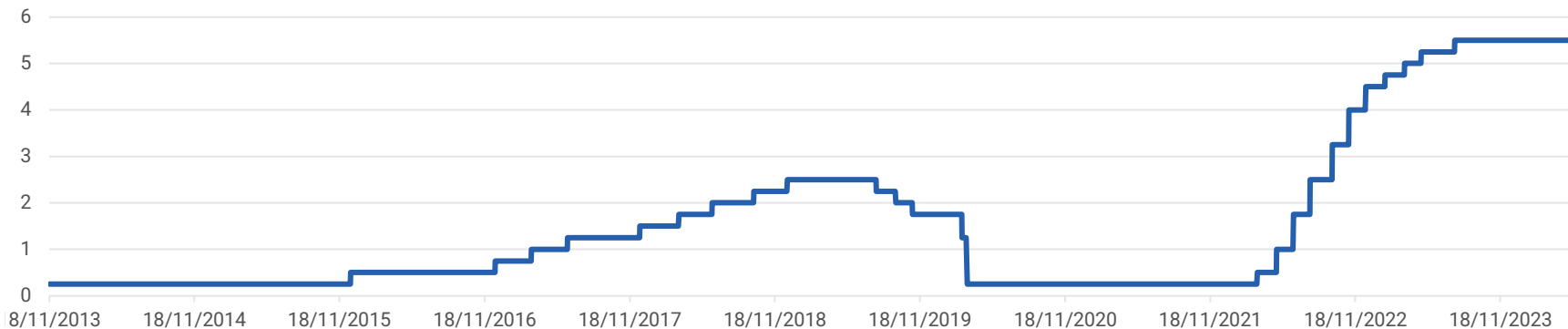


USD Money Market Funds Remain Attractive amid “High for Longer” Environment

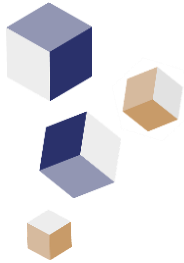
While the market starts to expect no more hikes after the most aggressive hikes by the Fed over the past 40 years, any immediate cuts are also less likely.

Even considering a few cuts in the next 12 months, the Fed fund rates are likely to be maintained at relatively high levels as compared to the levels over the past 10 years.

Federal Funds Target Rate - Upper Bound

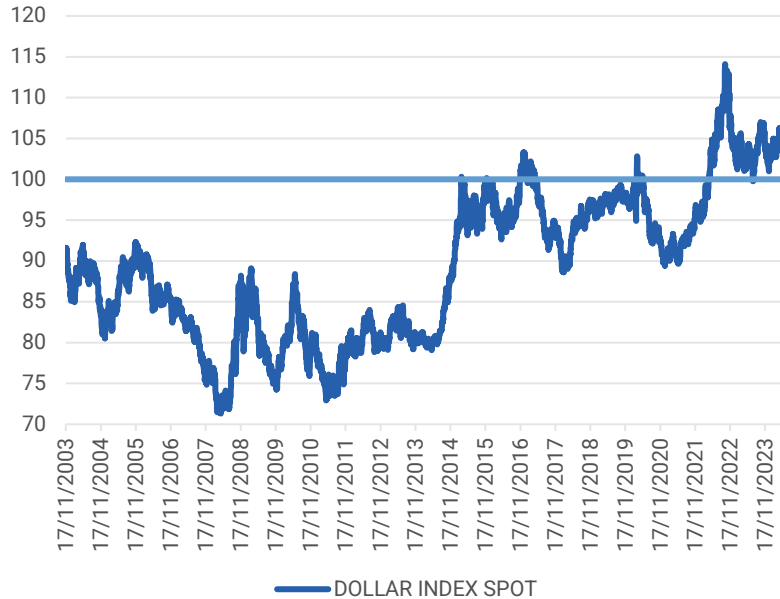


Source: CSOP, Bloomberg, as of 20240514.

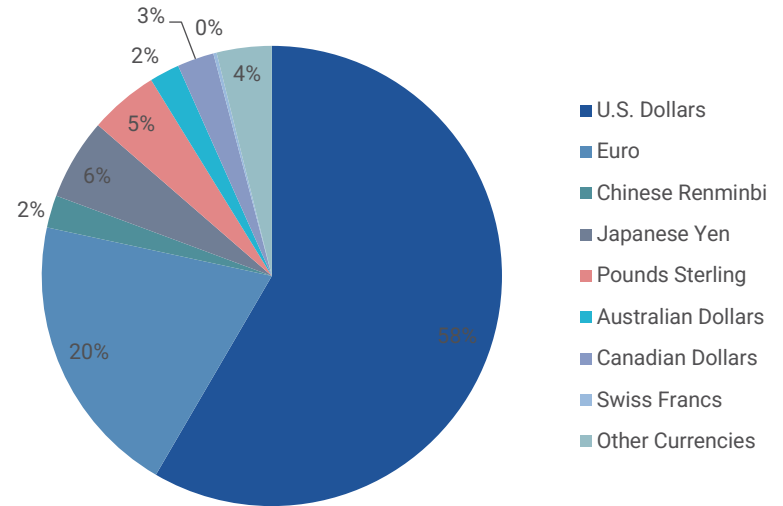


The U.S. Dollar Index Stays above 100 and U.S. Dollar Still in World Dominant Position

DOLLAR INDEX SPOT

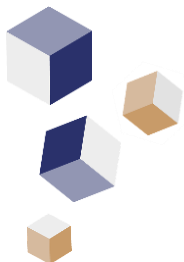


Currency Composition of World's Official Foreign Exchange Reserves



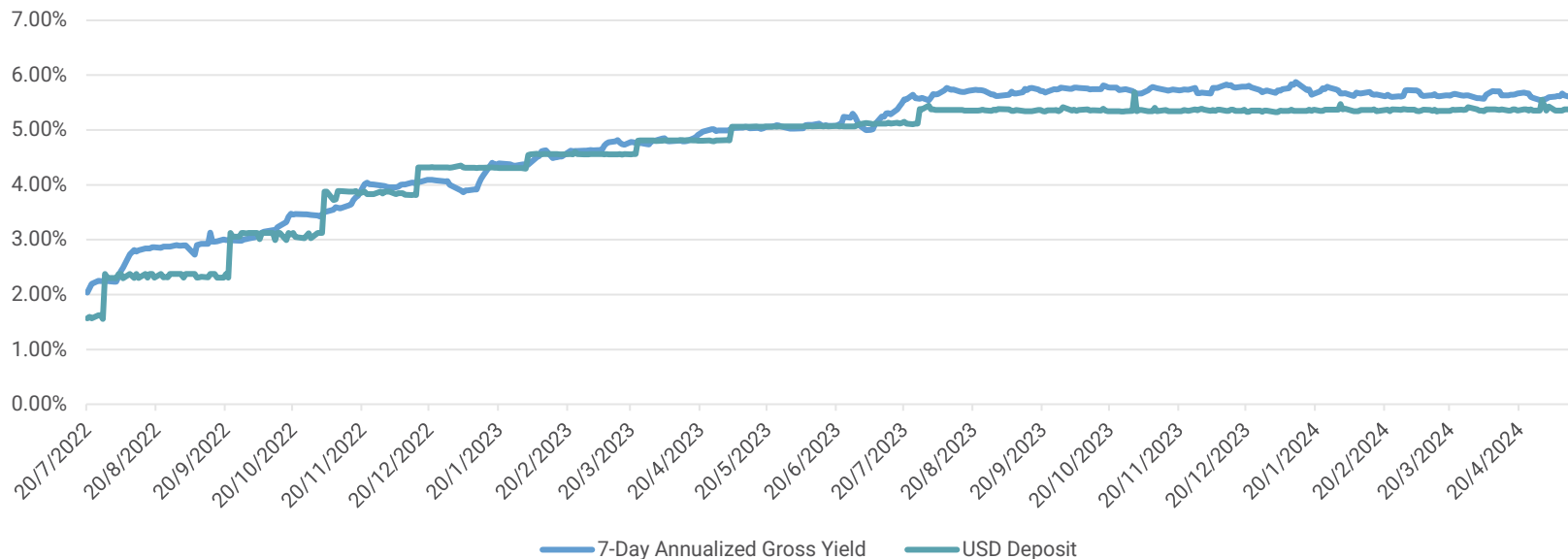
Source: Bloomberg, as of 20240515.

Source: IMF Q4 2023, as of 20240329.



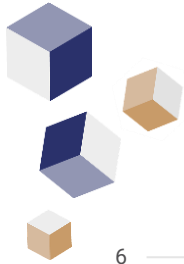
Why USD Money Market Fund?

Rate Comparison of CSOP USD Money Market Fund and USD Deposit

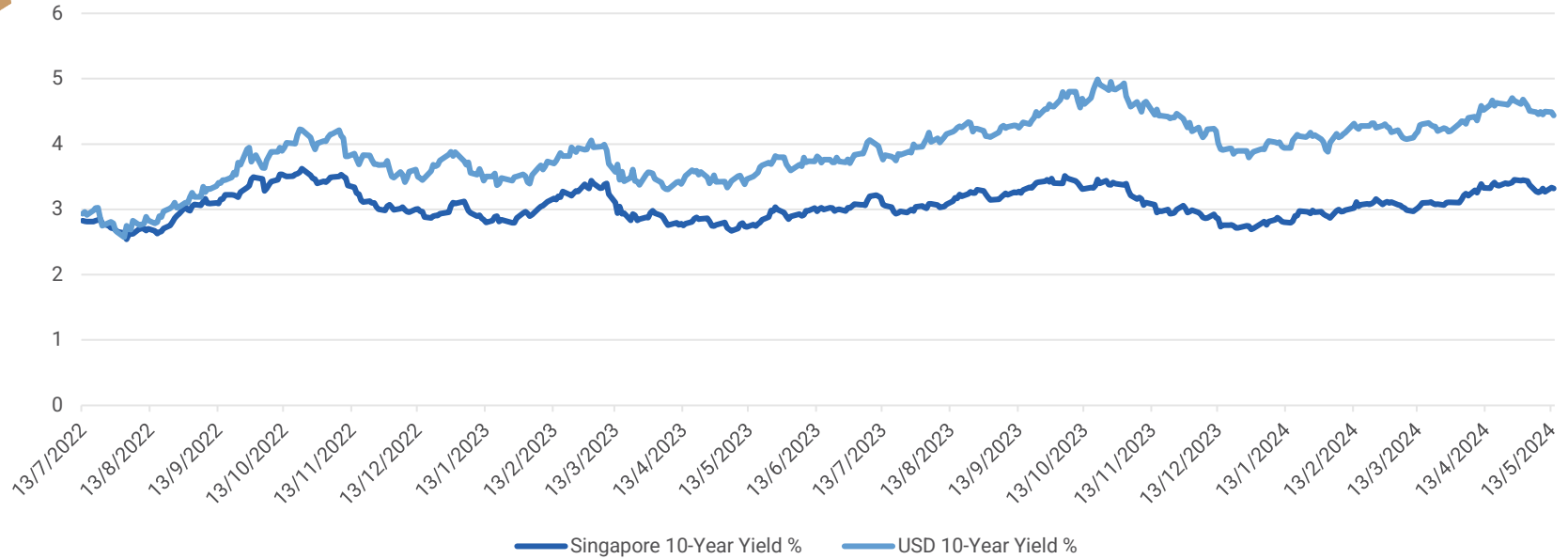


Source: CSOP, Bloomberg, as of 20240515. 7-Day Annualized Gross Yield is derived by adding back estimated annualized TER (43bp) from 7-Day annualized net yield.

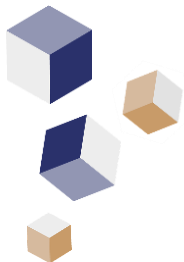




10 Year Yield – US vs. Singapore

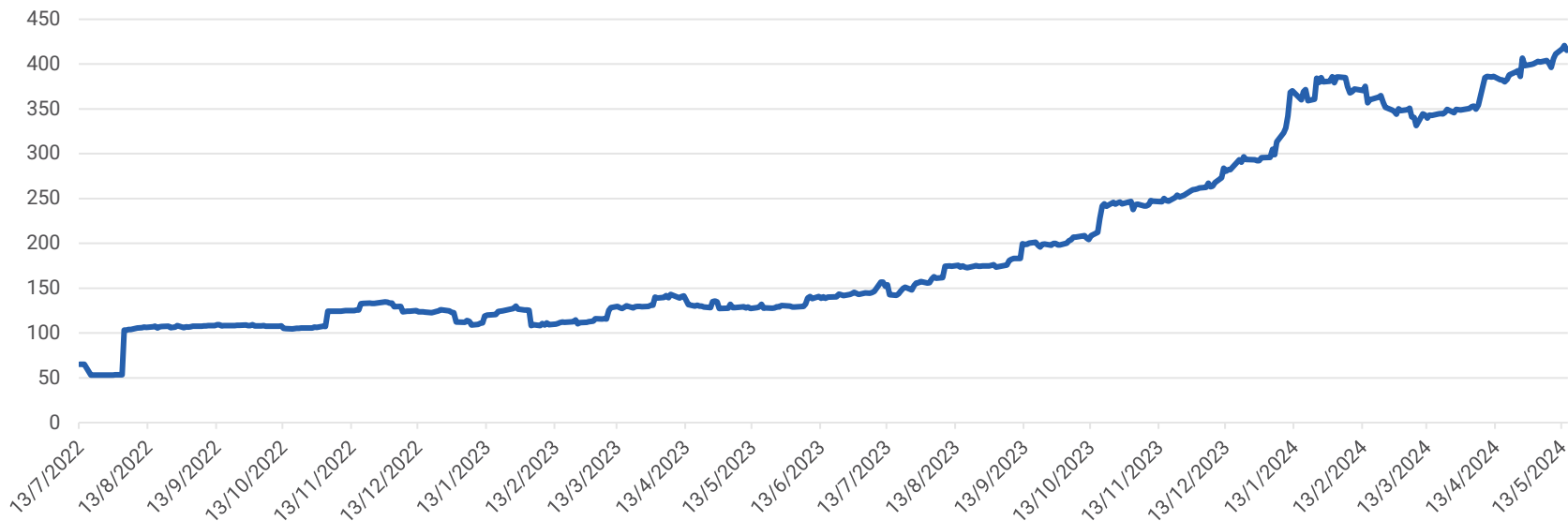


Source: Bloomberg, as of 20240514.



CSOP USD Money Market Fund AUM Grew amid Higher Interest Rates

CSOP USD Money Market Fund – Asset under Management (USDmn)



Source: CSOP, Bloomberg, as of 20240515.





Why USD Money Market Fund?

Safe Asset

Only invest in high quality short-term money market instruments and debt securities; For example, **min underlying rating in the MAS CIS Code is A-2/P-2/F-2**. These may include government and corporate bonds, commercial bills and deposits with eligible financial institutions.

Competitive Return

Money market fund can generate more competitive returns compared to demand deposits (i.e., **est. net of fee yield ~5.2% now**)

Relatively Low Cost

Management Fee is typically low (i.e., 0.30% per annum) of the Net Asset Value with **subscription and redemption fees waived**; The minimum holding amount can be as small as USD1,000 and minimum trading size can be as small as USD100.

Diversification

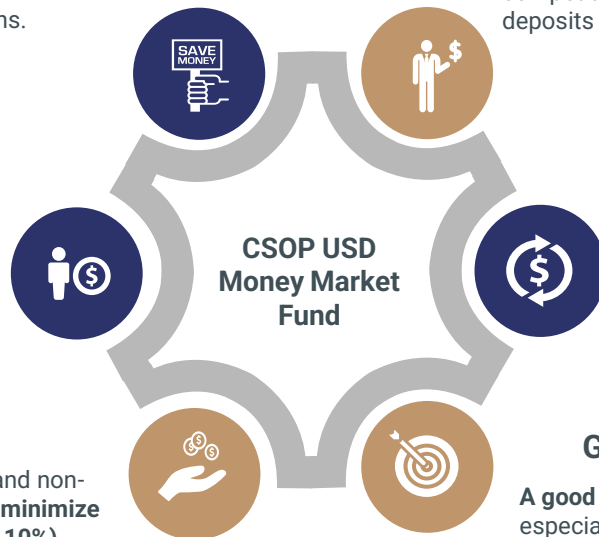
Underlying assets will be invested into deposits and non-deposit assets issued by different institutions **to minimize the concentration risk (i.e., no single exposure > 10%)**

Good Timing

A good choice for cash management especially in the turbulent market **amid a "high for longer" environment**

Higher Liquidity

CSOP USD money market fund can offer T + 0 settlement with platforms such as Moomoo/Tiger/Webull, supported by its underlying liquidity





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