

## Harvest CSI 300 ESG Leaders Index ETF – Details of Investment Strategy

<p><b>Expected exposure to the securities or other investments that reflect the stated Green or ESG investment focus</b></p>	<p>Provide investment results that, before fees and expenses, closely correspond to the performance of the CSI 300 Harvest ESG Leaders Index ( Net Total Return)</p>
<p><b>Relevant Green or ESG criteria or principles considered</b></p>	<p>To represent the performance of the China A shares traded on the Shanghai Stock Exchange (the “SSE”) or the Shenzhen Stock Exchange (the “SZSE”) issued by companies selected from the CSI 300 Index which demonstrate leading ESG profiles within their respective sectors. As of 9 October 2020, the Index had a free float adjusted market capitalisation of RMB18,233.06 million and 100 constituents.</p>
<p><b>Investment selection process and criteria adopted by the Green or ESG Fund /</b></p> <p><b>ESG analysis and evaluation methodology /</b></p> <p><b>Reference ESG benchmark being tracked and the characteristics and general composition of the benchmark</b></p>	<p>Each shortlisted stock is assigned an ESG score and ranked in descending order. The stocks are then allocated amongst the following CSI sectors: Energy, Materials, Industrials, Consumer Discretionary, Consumer Staples, Health Care, Financials, Information Technology, Telecommunication Services, and Utilities. The quota of stocks for each CSI sector which may be accepted for inclusion into the Index (the “Allocated Threshold”) will then be determined pro rata to the total number of shortlisted stocks per sector, with further adjustments such that the aggregate number of quotas for all sectors will be 100. Stocks with the top ranking ESG score in each sector will be selected for inclusion into the Index up to its Allocated Threshold. The weight of each Index constituent is capped at 10%, and excess weights are redistributed proportionally among remaining uncapped constituents.</p> <p>The shortlisting of companies will be conducted via a ESG scoring system managed by a Harvest ESG research and scoring team appointed by Harvest Fund Management, the parent company of the Manager (the “ESG Scoring Team”). The ESG score is derived from over 110 specific metrics categorized into the following 13 specific topics under the environment, social and corporate governance themes:</p> <ul style="list-style-type: none"> <li>• Environmental theme: environmental management policies and practices; green revenues; and environmental penalties.</li> <li>• Social theme: product quality; product innovation; human resources management; occupational health and safety; employee benefits; and social responsibility and philanthropy.</li> <li>• Corporate governance theme: shareholder structure; board structure and practices; accounting governance; executive pay and incentives.</li> </ul> <p>The ESG Scoring Team will consider globally recognized green and ESG criteria and principles in the ESG scoring process. For instance, the specific topic of “green revenues” under the environmental theme is measured against a green business taxonomy developed by the ESG Scoring Team, which in turn is based on the Green Bond Principles of the International Capital Market Association, Climate Bonds Taxonomy of the Climate Bonds Initiative and other principles. In respect of the specific topic of “human resources management” under the social theme, the ILO Declaration on Fundamental Principles and Rights at Work, as well as the Universal Declaration of Human Rights will be one of the criteria assessed during the scoring process, in which controversies and violations relating to labour rights and human rights will result in deduction of human resources management scores. Finally, in respect of the specific topic of “board structure and practices” under the corporate governance theme, violations</p>

of United Nations. Global Compact Principles will be considered as controversies reflecting poor board structure and practices and may result in a deduction in the relevant scoring.

The ESG Scoring Team will collect ESG data from external data service providers and other public and/or media sources, and conduct an assessment of the data against the specific topics and metrics. Three separate scores are then assigned to the shortlisted stocks under the “environment”, “social” and “corporate governance” themes respectively. The scores are then equally weighed to derive the overall ESG score.