

(Appendix) Outline of Japan-China ETF Connectivity

- An ETF feeder scheme for creating an ETF (feeder) that invests in a target ETF whose trust assets are Japanese or Chinese asset classes (*) based on additional QFII/RQFII or QDII quota specially created for this scheme.
- The scheme aims to increase opportunities for Chinese and Japanese investors to invest in Japanese and Chinese asset classes by linking ETFs listed on the two exchange markets.

(*) An ETF of which at least 90% of AUM is invested in a target ETF listed on the other exchange market based on agreement between the ETF providers. For the time being, the scheme is only limited to ETFs that track stock price indices. The target ETF should have been listed for more than 1 year and has enough liquidity.

