

## PRODUCT KEY FACTS

*GaoTeng WeFund*

*GaoTeng WeInvest Money Market Fund*



GaoTeng Global Asset Management Limited

November 2022

- *This statement provides you with key information about this product.*
- *This statement is a part of the offering document.*
- *You should not invest in this product based on this statement alone.*

### Quick facts

Manager: GaoTeng Global Asset Management Limited

Trustee: ICBC (Asia) Trustee Company Limited

Ongoing charges over a year:

Class A (HKD)–ACC	0.39%*
Class A (USD)–ACC	0.39%#
Class P (HKD)–ACC	0.69%^
Class P (USD)–ACC	0.69%##

\* This figure is an annualized figure based on the expenses for the period from 1 January 2022 to 30 June 2022, and is expressed as a percentage of the average Net Asset Value of the class of Units for the same period. The actual ongoing charges figure may be different and may vary from year to year.

# The first issue of the class of Units had not yet occurred as at 30 June 2022. This ongoing charges figure is an estimate only and is based on the ongoing charges figure of Class A (HKD)–ACC with a similar fee structure for the relevant financial period. The actual ongoing charges figure may be different from the estimate and may vary from year to year.

^ This figure is an estimate only taking into account the recently increased management fee of the class of Units. It represents the sum

of the estimated ongoing expenses chargeable to the respective class of the Sub-Fund over a 12-month period expressed as a percentage of the estimated average Net Asset Value of the respective class of the Sub-Fund over the same period. The actual ongoing charges figure may be different from the estimate and the figure may vary from year to year.

## The first issue of the class of Units had not yet occurred as at 30 June 2022. This ongoing charges figure is an estimate only and is based on the estimated ongoing charges figure of Class P (HKD)–ACC with a similar fee structure over a 12-month period. The actual ongoing charges figure may be different from the estimate and may vary from year to year.

Dealing frequency: Daily  
 Base Currency: HKD  
 Dividend Policy: Accumulation (ACC) Classes (No distribution will be made)

Financial year end: 31<sup>st</sup> December

Minimum Investment:

Class	Minimum Initial Subscription Amount	Minimum Subsequent Subscription Amount
Class A (HKD)–ACC	HKD 1,000	HKD 1,000
Class A (USD)–ACC	USD 100	USD 100
Class P (HKD)–ACC	Nil	Nil
Class P (USD)–ACC	Nil	Nil

### What is this product?

GaoTeng WeInvest Money Market Fund (the “**Sub-Fund**”) is a sub-fund of GaoTeng WeFund, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong.

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. The Sub-Fund does not have a constant net

asset value ("NAV") and does not guarantee the repayment of investment principal. The manager has no obligation to redeem Units at the offer value.

## Objective and Investment Strategy

### *Investment Objective*

The principal investment objective of the Sub-Fund is to provide returns in line with money market rates while seeking preservation of capital by investing primarily in a portfolio of short-term and high quality money market instruments denominated in HKD, USD or RMB.

### *Investment Strategy*

The Sub-Fund aims to achieve its investment objective by investing at least 85% of its Net Asset Value in a range of short-term deposits, and high quality money market instruments **issued** by governments and leading companies and money market funds that are authorised by the SFC under 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. Money market instruments in which the Sub-Fund may invest include: government bills, certificates of deposit, commercial papers, short-term notes, bankers' acceptance and high quality debt securities, etc. The Sub-Fund may invest less than 30% of its Net Asset Value in high quality debt securities.

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 will 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.

There is no specific geographical allocation of the country/region of issue of the relevant instruments or deposits, except that the Sub-Fund does not invest in emerging markets other than Mainland China. Chinese issuers are defined as those that are incorporated in Mainland China or that have significant operations in or derive a significant portion of revenue from Mainland China. The Sub-Fund may invest in Renminbi ("RMB") denominated money market instruments or debt securities issued outside Mainland China or within Mainland China (via Bond Connect). The total exposure to onshore Mainland China money market instruments and debt securities may be up to 20% of the Sub-Fund's Net Asset Value. The total exposure to offshore RMB money market instruments and debt securities ("Dim Sum" bonds) will be less than 10% of the Sub-Fund's Net Asset Value. The total exposure to RMB assets may be up to 30% of the Sub-Fund's Net Asset Value.

The Sub-Fund will not invest in convertible bonds. It will not invest in instruments with loss-absorbing features (i.e. where an instrument has terms and conditions specifying that the instrument is subject to being written off, written down, or converted to ordinary shares on the occurrence of a trigger event) including contingent convertible bonds. Investment in urban investment bonds will be limited to 5% of the Net Asset Value. “Urban investment bonds (城投債)” are bonds issued by local government financing vehicles (“LGFV”) in Mainland listed bond and 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.

The Manager will assess the credit quality and the liquidity profile of instruments that may be acquired on behalf of the Sub-Fund. The Sub-Fund will only invest in instruments (including urban investment bonds) which have, or the issuers of which have, an investment grade rating of at least BBB- or above (rated by an internationally recognised credit agency such as Moody's or Standard & Poor's) or a rating of AAA (rated by a Mainland Chinese domestic credit rating agency). If neither the debt security itself nor its issuer is rated, the Manager will consider the credit rating of its guarantor (if any), which will be deemed as the credit rating of the debt security. While the credit ratings provided by the relevant rating agencies serve as a point of reference, the Manager will conduct its own assessment on the credit quality based on various factors including the issuer's and/or the guarantor's (if applicable) financial leverage, interest coverage and operating cash flows, liquidity position, industry outlook and competitive position, as well as corporate governance.

The Sub-Fund will not invest more than 10% of its latest available Net Asset Value in securities issued by or guaranteed by any single sovereign/government issuer (including its government, a public or local authority of that country/region) that has a credit rating below investment grade or is unrated.

The Sub-Fund may use derivatives for hedging purposes only. Any non-HKD denominated investments will be hedged into HKD to mitigate foreign exchange risks.

The Manager may enter into repurchase transactions in respect of the Sub-Fund.

The maximum proportion and expected proportion of the Net Asset Value of the Sub-Fund that can be subject to repurchase transactions, when aggregated with the Sub-Fund's borrowing, are 10% and 10% respectively. The actual proportion of the Net Asset Value engaged in such

transactions may vary over time depending on factors including, but not limited to, market conditions.

This Sub-Fund will not engage in securities lending or reverse repurchase transactions.

#### **Use of derivatives / Investment in derivatives**

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

#### **What are the key risks?**

Investment involves risks. Please refer to the offering document for details including the risk factors.

##### ***General Investment risk***

The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

##### ***Currency risk***

Underlying investments of the Sub-Fund may be denominated in currencies other than the Base Currency of the Sub-Fund. Also, a class of Units may be designated in a currency 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.

##### ***RMB currency and conversion risks***

RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

##### ***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.

##### ***Risks associated with 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 and/or guarantors (if applicable) of the debt securities that the Sub-Fund may invest in.

*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.

*Downgrading risk*

The credit rating of a debt instrument, its issuer or its guarantor (if applicable) may subsequently 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 instruments that are being downgraded.

*Sovereign/government debt risk*

The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign/government issuers may not be able or willing to repay the principal and 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/government debt issuers.

*Valuation risk*

Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

*Credit rating risk*

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer or guarantor (if applicable) at all times.

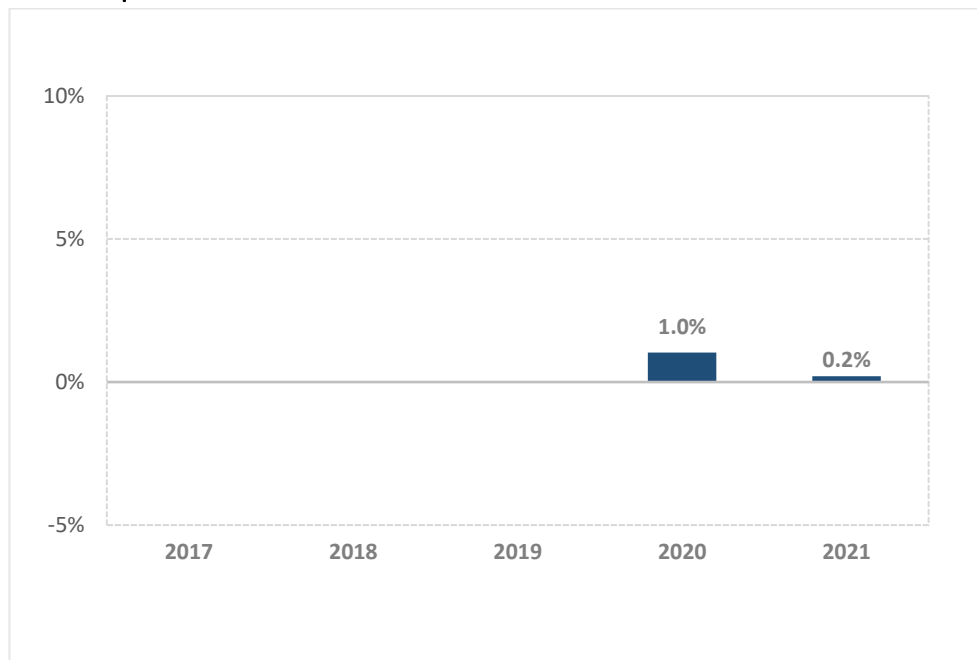
*Credit rating agency risk*

The credit appraisal system in the Mainland and the rating methodologies employed in the Mainland may be different from those employed in other markets. Credit ratings given by Mainland rating agencies may therefore be different from those given by other international rating agencies.

***Risks associated with the Sub-Fund's restrictions on redemption***

Redemption of Units may be subject to a restriction of (i) HK\$10,000 (or equivalent in the Class Currency) for a single individual investor on a Redemption Day under extreme market conditions and/or (ii) 10% of the total Net Asset Value of the Sub-Fund on a Redemption Day. Therefore, investors may not be able to redeem all holdings in the Sub-Fund on a single Redemption Day. Where this redemption restriction is imposed continuously, the period for an investor to fully redeem his holdings may be prolonged, and the investor will be subject to liquidity risks.

## How has the Sub-Fund performed?



### Note:

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV.
- These figures show by how much the Class P (HKD)-ACC increased or decreased in value during the calendar year being shown. The Manager views Class P (HKD)-ACC, being the retail class denominated in the Sub-Fund's Base Currency, as the most appropriate representative class. Performance data has been calculated in HKD including taking into account charges and excluding subscription charge and redemption charge you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2019
- Class P (HKD)-ACC launch date: 6 Mar 2019

## Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the Units of the Sub-Fund.

<u>Fee</u>	<u>What you pay</u>
Subscription charge* (preliminary charge) (% of subscription amount)	Class A Units: Up to 3% Class P Units: Nil
Switching fee* (% of the total amount being converted)	Class A and Class P Units: Nil
Redemption charge <sup>^</sup> * (% of redemption amount)	Class A Units: Up to 1% Class P Units: Nil

*<sup>^</sup> Under extreme market conditions and/or subject to the Manager's discretion and arrangements with Authorised Distributors, the Manager may further limit any redemption of Units of the Sub-Fund to the value of HK\$10,000 (or equivalent in the Class Currency) for a single individual investor on a Redemption Day. Any Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption on the next succeeding Redemption Day based on the prevailing Redemption Price on such day, subject to the same limitation until the original request has been satisfied in full.*

*\* Investors may be subject to pricing adjustments when they subscribe, redeem or convert (if applicable) Units of the Sub-Fund for an amount normally not exceeding 1% of the relevant Net Asset Value. For details, please refer to "Valuation and Suspension – Adjustment of Prices" in the main part of the Explanatory Memorandum. For the avoidance of doubt, pricing adjustments are not included in the subscription charge or the redemption charge.*

### Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	<u>Annual rate (current rates)</u> <u>(% of Net Asset Value of the relevant class)</u>
Management fee*	Class A Units: 0.3% p.a. Class P Units: 0.6% p.a.



Trustee fee* <sup>#</sup>	(% of Net Asset Value of the Sub-Fund) Class A and Class P Units: 0.04% p.a. for the first year after the Sub-Fund is launched and 0.05% p.a. from the second year and onward.
Custodian fee <sup>#</sup>	(% of the month-end market value (if unavailable, the nominal value) of the Sub-Fund's investments in custody) Class A and Class P Units: Up to 0.025% p.a.
Performance fee	Nil
Administration fee	Included in the Trustee Fee

\* *The fees and charges may also be increased up to the maximum level as specified in the offering document by giving at least one month's prior notice to investors. Please refer to the offering document for further details.*

<sup>#</sup> *Trustee Fee and Custodian Fee together subject to a minimum monthly fee of HKD24,000 for the first year of launch of the Sub-Fund and thereafter the minimum monthly fee is HKD20,000.*

### **Other fees**

You may have to pay other fees when dealing in the Units of the Sub-Fund.

### **Additional Information**

- You generally buy and redeem Units at the Sub-Fund's next-determined subscription price and redemption price with reference to the Net Asset Value after the Transfer Agent receives your request in good order on or before 1:00 p.m. (HK Time), being the dealing cut-off time. Authorised Distributors may impose different dealing deadlines for receiving requests from investors.
- The Net Asset Value of the Sub-Fund is calculated and the price of Units is published on each Business Day on the Manager's website at [www.gaotengasset.com](http://www.gaotengasset.com)\*.
- Investors may obtain the past performance information of other unit classes offered to Hong Kong investors from the Manager's website\* (if applicable).

\* *Investors should note that the aforesaid Manager's website has not been reviewed by the SFC.*

**Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.