

China Everbright Securities (HK) Limited

- *This statement provides you with key information about Everbright Global Brands Fund (the "Sub-Fund").*
- *This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of China Everbright Fortune Fund Series.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Manager:	China Everbright Securities (HK) Limited
Trustee:	ICBC (Asia) Trustee Company Limited
Custodian:	Industrial and Commercial Bank of China (Asia) Limited
Ongoing charges over a year*:	Class A Units: 2.50% Class I Units: 1.75% *The figure is an estimate only as the Sub-Fund has not been launched yet. The figure represents the sum of the estimated ongoing expenses chargeable to the respective classes of units of the Sub-Fund over a 12-month period expressed as a percentage of the Sub-Fund's estimated average net asset value of the respective classes of units of the Sub-Fund over the same period. The actual figure may be different upon actual operation of the Sub-Fund and the figure may vary from year to year.
Dealing frequency:	Daily
Base currency:	USD
Dividend policy:	Currently declared on a semi-annual basis in June and December each year, subject to the Manager's discretion. Dividend, if declared, will be paid or reinvested, in accordance with the instruction given by the investor at the time of subscription.
Financial year end of this Sub-Fund:	31 December
Min. investment:	Class A USD Units: USD1,000 initial, USD1,000 additional Class A HKD Units: HKD10,000 initial, HKD10,000 additional Class A RMB Units: RMB10,000 initial, RMB10,000 additional Class I USD Units: USD1,000,000 initial, USD50,000 additional Class I HKD Units: HKD10,000,000 initial, HKD400,000 additional Class I RMB Units: RMB10,000,000 initial, RMB400,000 additional
Min. holding:	Class A USD Units: Units with aggregate minimum value of USD1,000 Class A HKD Units: Units with aggregate minimum value of HKD10,000 Class A RMB Units: Units with aggregate minimum value of RMB10,000 Class I USD Units: Units with aggregate minimum value of USD500,000 Class I HKD Units: Units with aggregate minimum value of HKD4,000,000 Class I RMB Units: Units with aggregate minimum value of RMB4,000,000

Min. redemption:	<p>Class A USD Units: Units with aggregate minimum value of USD1,000</p> <p>Class A HKD Units: Units with aggregate minimum value of HKD10,000</p> <p>Class A RMB Units: Units with aggregate minimum value of RMB10,000</p> <p>Class I USD Units: Units with aggregate minimum value of USD50,000</p> <p>Class I HKD Units: Units with aggregate minimum value of HKD400,000</p> <p>Class I RMB Units: Units with aggregate minimum value of RMB400,000</p>
<p>What is this product?</p> <p>Everbright Global Brands Fund (the “Sub-Fund”) is a sub-fund of China Everbright Fortune Fund Series (the “Fund”) which is a Hong Kong domiciled umbrella structure unit trust and is governed by the laws of Hong Kong.</p>	
<p>Objectives and Investment Strategy</p> <p>Objectives</p> <p>The investment objective of the Sub-Fund is to aim to provide investors with medium to long term capital appreciation through investing primarily in equity securities issued by companies in global markets. In particular, the Sub-Fund will seek to invest in companies which, in the opinion of the Manager, are deemed to be market leaders operating strong and highly regarded global brands or franchises and have demonstrated that they can generate a relatively consistent and steady return on capital employed over business cycles.</p> <p>Investment Strategy</p> <p>In order to achieve the investment objective, the Manager intends to make investments (not less than 70% of the Sub-Fund’s net asset value) through a portfolio consisting of equity securities listed or quoted on the over-the-counter markets of companies throughout the world in industry sectors including but not limited to energy, information technology, healthcare, consumer discretionary, consumer staples, industrials, materials, financials, telecommunication services and utilities.</p> <p>The Manager will conduct an analysis of equities of companies in developed countries which are included in the MSCI World Index. Such companies are expected to be large companies which, at the time of purchase, have a market capitalization of at least USD25 billion (or equivalent). Also, such companies will likely be headquartered and listed in developed markets and operate globally. The Manager may modify the required minimum thresholds for market capitalization in the future.</p> <p>The Sub-Fund may not invest more than 50% of its net asset value in the securities of companies operating in any one sector, as defined and categorized under the MSCI’s Global Industry Classification Standard.</p> <p>The Manager may acquire financial derivatives such as futures contracts, warrants and options contracts for the account of the Sub-Fund for hedging and investment purposes in order to try to protect and enhance asset value.</p> <p>The Sub-Fund will not engage in securities lending transactions or repurchase/reverse repurchase transactions. Prior to changing the investment policy on such transactions, the Manager will seek the prior approval of the SFC and provide at least one month’s prior notice to Unitholders before the Manager enters into any such transactions.</p> <p>The Sub-Fund will not invest in any structured deposits or structured products or asset backed securities for hedging or non-hedging purposes.</p>	

The Sub-Fund will have no exposure to investments denominated in RMB.

It is expected that the Sub-Fund may hold up to 30% of its net asset value of the Sub-Fund in cash, cash equivalents and short term fixed income instruments for the purpose of cash management and/or dynamic equity exposure management (which is to reduce the portfolio risk by reducing equity exposure of the Sub-Fund when the Manager deems prudent to do so). In times of extreme market conditions such as in times of a prolonged bearish market or extremely severe and rapid global economic downturn, the Sub-Fund may temporarily hold up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit and treasury bills.

The Sub-Fund will be managed based on a capital gain oriented investment strategy focused on return on capital employed ("ROCE"), which means that the Manager will invest in companies generating a ROCE higher than the average ROCE for companies included in the MSCI World Index.

Indicative Asset Allocation

An indicative asset allocation of the Sub-Fund is as follows:

Type of securities	Exposure in terms of percentage of the Sub-Fund's net asset value (indicative only)
Equities	70% - 100%
Cash, cash equivalents and short term fixed income instruments	0% - 30%

The Sub-Fund may invest less than 20% of its net asset value in debt instruments with loss-absorption features (e.g. total loss-absorbing capacity eligible instruments, contingent convertible bonds, senior non-preferred debt, Additional Tier 1 and Tier 2 capital instruments (i.e. debt instruments with write-down features which are triggered when the issuers' regulatory capital ratio falls to a certain level)). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of its net asset value.

What are the key risks?

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

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 unit may be designated in a currency other than the base currency of the Sub-Fund. The Sub-Fund's net asset value may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

Equity market risk

The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

Concentration risk

The Sub-Fund's investments may be concentrated in specific industries/sectors as the Sub-Fund may

invest up to 50% of its net asset value in securities of a specific industry/sector. The Sub-Fund's value may be adversely affected by unfavourable conditions in any of such industry/sector. The value of the Sub-Fund may be more volatile than that of a sub-fund having a more diverse portfolio of investments.

Risks associated with investment in financial derivative instruments ("FDI")

Risks associated with FDI include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDI may lead to a high risk of significant loss by the Sub-Fund.

Risks associated with RMB classes of Units

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non RMB-based investors (e.g. Hong Kong investors) are exposed to foreign exchange risk. If non RMB-based investors convert other currencies into RMB so as to invest in Class A RMB Units and Class I RMB Units (the "**RMB classes**") and subsequently convert the RMB redemption proceeds back into other currencies, they may incur currency conversion costs and suffer losses as a result of foreign exchange risk. 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 investors' investments in the RMB classes.
- When calculating the value of the RMB classes, reference to the CNH rate (i.e. the exchange rate for the offshore RMB market in Hong Kong) rather than the CNY rate (i.e. the exchange rate for the onshore RMB market) will be made and the value of the RMB classes thus calculated will be affected by fluctuations in the CNH rate. Although CNH and CNY represent the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to exchange controls and restrictions applicable to RMB.

How has the Sub-Fund performed?

There is insufficient data to provide a useful indication of past performance to investors as the Sub-Fund has not yet been launched.

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.

Fee

What you pay

Subscription Fee (Preliminary Charge)
(% of total subscription amount received
(i.e. before deducting preliminary
charge))

All classes of units: up to 5%

Switching Fee (Switching Charge) (% of
total amount being switched into)

All classes of units: up to 2%

Redemption Fee (Redemption Charge)
(% of total redemption proceeds)

All classes of units: up to 1%

Ongoing fees payable by the Sub-Fund

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

Annual rate (as a % of the Sub-Fund's net asset value)

Management Fee*	Class A Units: 1.75% p.a. Class I Units: 1.00% p.a.
Trustee Fee*	All classes of units: up to 0.10% p.a.. The Trustee may charge a minimum monthly fee of USD3,000. Note that the minimum monthly fee of USD3,000 will be waived for the first 3 months upon launch of the Sub-Fund.
Custody Fee*	All classes of units: up to 0.07% p.a. of month-end market value (if unavailable, the nominal value) of the Sub-Fund's investments in custody plus transaction fees at customary rates.
Performance Fee	All classes of units: not applicable
Administration Fee	All classes of units: not applicable
Registrar Fee	Class A and Class I: a transaction based fee

*the current annual rate may be increased up to a specified permitted maximum level as set out in the Explanatory Memorandum by giving not less than 1 month's prior notice to the investors.

Other fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Explanatory Memorandum. For details please refer to the section headed "Expenses and Charges" in the Explanatory Memorandum.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value after the Manager or the authorised distributors receive your request in good order on or before 4:00 p.m. (Hong Kong time) on the relevant Dealing Day or the dealing cut-off time set by the authorised distributors.
- The authorised distributor(s) may impose an earlier cut-off time before the dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should confirm the arrangements with the authorised distributor(s) concerned.
- The net asset value of the Sub-Fund is calculated at each valuation day and the price of units is published on each dealing day on the website of the Manager at <http://www.ebshk.com>. Please note that this 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.