PRODUCT KEY FACTS STATEMENT

China Everbright Fortune Fund Series

Everbright Greater China Opportunities Fund

August 2022

China Everbright Securities (HK) Limited

- **This statement provides you with key information about Everbright Greater China Opportunities 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 HKD Units: 2.08% Class I HKD Units: 1.83% *The ongoing charges figure is based on the expenses of this class with reference to the audited annual report of the Sub-Fund for the year ended 31 December 2021. This figure may vary from year to year.
Dealing frequency:	Daily
Base currency:	HKD
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 fund:	31 December
Min. investment:	Class A HKD Units: HKD10,000 initial, HKD10,000 additional Class I HKD Units: HKD1,000,000 initial, HKD1,000,000 additional
Min. holding:	Class A HKD Units: Units with aggregate minimum value of HKD10,000 Class I HKD Units: Units with aggregate minimum value of HKD1,000,000
Min. redemption:	Class A HKD Units: Units with aggregate minimum value of HKD5,000 Class I HKD Units: Units with aggregate minimum value of HKD500,000

What is this product?

Everbright Greater China Opportunities 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.

Objectives and Investment Strategy

Objectives
The investment objective of the Sub-Fund is to aim to provide investors with medium to long term capital appreciation in the value of assets by investing primarily in Hong Kong, China and Taiwan (the "**Greater China**").

Investment Policy
In order to achieve the investment objective, the Manager intends to make investments (at least 70% of the Sub-Fund's assets) through a portfolio consisting of listed securities or securities quoted on the over-the-counter markets of companies that derive or are expected to derive a significant portion of their revenues from goods produced or sold and/or investments made or services performed in the Greater China region. The Manager believes that the value of these companies should increase through their participation in the economic growth of the Greater China region. Such securities include but are not limited to equity securities, IPO securities, exchange-traded funds ("**ETFs**"), debt securities including convertible bonds.

The Sub-Fund may invest:

(a) up to 100% of its assets in listed securities or securities quoted on the over-the-counter markets of companies, of which up to 70% of the Sub-Fund's net asset value may be invested in ETFs which are (i) authorised by the SFC and (ii) listed and regularly traded on internationally recognised stock exchanges open to the public and the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable SFC requirements under the Code on Unit Trusts and Mutual Funds; and

(b) up to 70% of its assets in debt securities of issuers in the Greater China region being governments, quasi-governmental organisations, multilateral international agencies and companies. Such debt securities may include but are not limited to treasury bills or short-term money market instruments, commercial paper and certificates of deposit and can be fixed or floating rate. To the extent permitted by the investment policy of the Sub-Fund, up to 30% of the Sub-Fund's net asset value may be invested in debt securities of issuers worldwide. The Manager intends the Sub-Fund to invest in debt securities which are of investment grade (i.e. rated as Baa3 or above by Moody's or equivalent ratings by other credit rating agencies of similar standing) or below investment grade as well as unrated debt securities (which in the opinion of the Manager are of comparable quality). Up to 20% of the Sub-Fund's assets may be invested in convertible bonds.

The Sub-Fund may invest directly or indirectly in China A-Shares and China B-Shares. Direct investment in eligible China A-Shares will be made via the Shanghai-Hong Kong Stock Connect ("**Stock Connect**"). Exposure to China A-Shares and/or China B-Shares will not be more than 20% of the Sub-Fund's net asset value.

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).

The Sub-Fund may also invest indirectly in debt and equity securities through investing up to 30% of the Sub-Fund's net asset value in collective investment schemes which are eligible schemes (as permitted under the Code on Unit Trusts and Mutual Funds) or SFC-authorised schemes, of which up to 20% of the Sub-Fund's net asset value may be invested in funds which are authorised by the

SFC and are eligible to invest directly in securities issued within the PRC through the qualified foreign institutional investor (the "**QFII funds**") and/or Renminbi qualified foreign institutional investor (the "**RQFII funds**"). The Sub-Fund may invest in QFII funds/RQFII funds, if any, managed by the Manager. Up to 10% of the Sub-Fund's net asset value may be invested in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

The Sub-Fund may invest in collective investment schemes, if any, managed by the Manager. Where the Sub-Fund invests in the collective investment schemes, if any, which are managed by the Manager or its connected persons (the "underlying funds"), the Manager will procure that either the Sub-Fund or the underlying fund(s) will not charge any initial charge in order to ensure no double-charging of initial charges. The Manager may not obtain a rebate on any fees or charges levied by the underlying scheme or its management company.

The Manager may acquire financial 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.

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

The Sub-Fund will not invest in any structured deposits or structured products or asset backed securities for hedging or non-hedging purposes.

It is expected that the Sub-Fund may hold a significant amount of cash or cash equivalents in times of extreme market conditions such as in times of a prolonged bearish market or extremely severe and rapid economic downturn.

Investment Strategy
The Sub-Fund will be managed based on a value-oriented investment strategy, which means that the Manager will invest in assets which the Manager considers to be undervalued, compared to their intrinsic value.

<u>Indicative Asset Allocation</u>
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 (including ETFs)	Up to 100% (up to 70% may be invested in ETFs)
Debt securities	Up to 70%
Convertible bonds	Up to 20%
QFII funds and/or RQFII funds	Up to 20%

<u>Additional Investment Restriction</u>
The Sub-Fund will not invest more than 10% of the its net asset value in securities issued by or guaranteed by any single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade.

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 is an investment fund and invests in equity and debt securities. There can be no assurance that the Sub-Fund will achieve its investment objective. Investment in equity securities is generally subject to market risks and may lead to greater volatility in price whereas investment in debt securities is not the same as deposits with a bank. Such investments may fall in value. Since the Sub-Fund is not principal guaranteed, your investment in the Sub-Fund may suffer losses as a result.

Asset allocation risk
The types of assets that the Sub-Fund invests in may be periodically re-balanced subject to the investment policy of the Sub-Fund. There is no assurance that the investment objective of the Sub-Fund will be achieved by adopting such re-balancing strategy. Further, such re-balancing strategy may incur greater transaction costs than a fund with static allocation strategy.

Risk associated with investment in specific countries
The Sub-Fund primarily invests in the Hong Kong, China and Taiwan markets and may be adversely affected by negative conditions in any of such markets. It has a narrower focus than those funds which invest more broadly across markets and may therefore be considered to be more risky than a more diversified fund.

Risks relating to equity securities
The risks associated with investments in equity securities (including ETFs) may be high, because the investment performance of equity securities depends upon a number of factors which are difficult to predict. Such factors include but are not limited to adverse economic and market conditions, changes in the general outlook for corporate earnings or risks associated with individual companies, which may adversely affect the net asset value of the Sub-Fund.

Risks relating to debt securities
Investments in debt securities will be subject to risks associated with debt securities.

- *Interest rates risk* - If the debt securities held by the Sub-Fund fall in value as a result of an increase in interest rates, the Sub-Fund's value will be adversely affected.
- *Credit / Counterparty risk* - An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to greater price volatility of the security. If the issuers of any of the securities in which the Sub- Fund's assets are invested default, the performance of the Sub -Fund will be adversely affected.
- *Below investment grade and unrated securities risk* - The Sub-Fund may invest in below investment grade or unrated securities. Such securities would generally be considered to have a higher degree of counterparty risk, credit risk, liquidity risk and volatility risk than investment grade debt securities. As a result the net asset value of the Sub-Fund may be adversely affected.
- *Credit rating downgrading risk* - Investment grade debt securities may be subject to the risk of being downgraded. In the event of such downgrading, the Sub-Fund's investment value in such security may be adversely affected, resulting in an unfavourable impact on the net asset value of the Sub-Fund.
- *Liquidity risk* - The Sub-Fund may invest in debt securities that are not listed. Such securities may be less liquid and more volatile than listed debt securities, resulting in the fluctuation in the price of such securities and hence adversely affect the net asset value of the Sub-Fund.

Investment in China and other emerging markets
The Sub-Fund may invest in securities of issuers operating in or domiciled in emerging markets, including China. Investing in emerging markets may involve additional risks than investing in more developed markets and such risks could affect adversely the value of the Sub-Funds' investments and the net asset value of the Sub-Fund.

The securities market in China, including China A-Shares and China B-Shares markets, may be more volatile and unstable (for example, due to the risk of suspension of a particular stock or government intervention) than markets in more developed countries. This may result in significant fluctuations in the prices of securities traded in such market and thereby affecting the prices of units of the Sub-Fund.

Investment in mainland China remains sensitive to any major change in economic, social and political policy in the PRC. The capital growth and thus the performance of these investments may be adversely affected due to such sensitivity.

The Sub-Fund may be exposed to risks associated with changes in current Chinese tax rules and the possibility of taxes or tax liabilities being applied retroactively.

Risks associated with the Stock Connect
The program is novel in nature. The relevant regulations are untested and subject to change. The program is subject to an aggregate cross-boundary investment quota as well as a daily quota which does not belong to the Sub-Fund and can only be utilised on a first-come-first-served basis. This may restrict the Sub-Fund's ability to invest in China A-Shares through the program on a timely basis. Where a suspension in trading through the program is effected, the Sub- Fund's ability to access the PRC market will be adversely affected. PRC regulations impose certain restrictions on selling and buying. Also, a stock may be recalled from the scope of eligible stocks for trading via the program. This may affect the investment portfolio or strategies of the Sub-Fund.

The Hong Kong Securities and Clearing Company Limited ("**HKSCC**") holds the China A-Shares as a nominee on behalf of the Sub-Fund who is the beneficial owner of such shares. As the nominee holder, HKSCC is prepared to provide assistance to beneficial owners of China A-Shares (held through the Stock Connect) where necessary subject to conditions being made, thus, the Sub-Fund may encounter difficulties or delays in any action to enforce its rights.

The Stock Connect is premised on the functioning of the operational systems of the relevant market participants and may be subject to operational risk due to these new information technology systems.

Risks of investing in QFII funds / RQFII funds
RQFII funds that the Sub-Fund may invest in are denominated in RMB and are hence subject to the RMB currency risk.

The QFII funds / RQFII funds are subject to the availability of investment quota. Therefore the Sub-Fund's ability to obtain exposure to the PRC domestic securities market may be limited by the availability of investment quota where there are no QFII funds / RQFII funds which, in the opinion of the Manager, are suitable for investment having regard the investment objective and policy of the Sub-Fund.

The QFII regime is currently subject to repatriation restrictions. Repatriations by RQFIIs in respect of an open-ended RQFII fund conducted in RMB are currently not subject to repatriation restrictions or prior approval, but there is no guarantee that restrictions will not be imposed in future. Any restrictions on repatriation of the invested capital and net profits out of China may impact on a QFII fund's / RQFII fund's ability to meet redemption requests from the Sub-Fund.

The QFII/RQFII regulations are subject to change and may take retrospective effect. The Sub-Fund, if investing in the QFII funds / RQFII funds, may be adversely affected as a result of such changes.

QFII funds' / RQFII funds' investment in the PRC market is subject to PRC tax liabilities. It is a common practice for QFII funds and RQFII funds to make provisions for such potential tax liabilities in the PRC which may be excessive or inadequate. Even if tax provisions are made, any shortfall between the provisions and actual tax liabilities will be debited from the QFII funds' / RQFII funds' assets and hence the QFII funds' / RQFII funds' value may be adversely affected. As a result, the value of the Sub-Fund may be unfavourably affected.

Investment in QFII funds / RQFII funds may involve another layer of fees charged at the QFII fund/ RQFII fund level. The Sub-Fund will bear indirectly the fees charged by the managers and other service providers of the QFII funds / RQFII funds, or will incur charges in subscribing for or redeeming units in the QFII funds / RQFII funds.

Risk of investing in other funds
The Sub-Fund may invest in other funds. Investor should note that there are additional fees involved when investing into these underlying funds, including fees and expenses charged by investment manager of these underlying funds. Furthermore, there can be no assurance that 1) the liquidity of the underlying funds will always be sufficient to meet redemption requests; and 2) investment objective and strategy will be successfully achieved. As a result, the foregoing risks may have an unfavourable impact on the net asset value of the Sub-Fund.

If the Sub-Fund invests in an underlying fund managed by the Manager or connected person of the Manager, potential conflict of interest may arise. The Manager will have regards to its obligations to the Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly.

Risks relating to investment in ETFs
The Sub-Fund may invest in ETFs and are subject to the following risks -

- *Passive investment risks* - The ETF that the Sub- Fund invests in may not be "actively managed" and the manager of the relevant ETF does not attempt to select securities or to take defensive positions in declining markets. Consequently, falls in the underlying index of the ETF are expected to result in a corresponding fall in the value of the Sub-Fund.
- *Tracking error risks* - Factors such as fees and expenses of an ETF, imperfect correlation between the ETF's assets and the underlying securities within the relevant tracking index, rounding of share prices and adjustments to the tracking index may affect the ability of the manager of an ETF to achieve close correlation with the tracking index for the relevant ETF. An ETF's returns may therefore deviate from that of its tracking index and may have an adverse impact on the ETF and the Sub-Fund.
- *Underlying index related risks* - There is no guarantee that the ETF will achieve a high degree of correlation to its underlying index and therefore achieve its investment objective. Errors in index data may occur from time to time and may not be identified and corrected for a period of time, and may have an adverse impact on the ETF and the Sub-Fund.
- *Counterparty risks* - The Sub-Fund may invest in synthetic ETFs which may invest in derivative instruments which are issued by one or more issuers to gain exposure to a benchmark. ETFs are therefore subject to counterparty risk of the derivative instruments' issuers and may suffer substantial losses if such issuers default or fail to honour their contractual commitments. As a result, your investment in the Sub-Fund may suffer losses.
- *Trading risks* - There can be no assurance that an active trading market will exist or maintain for units /shares of an ETF on any securities exchange. The units/shares of the ETFs in which the Sub-Fund invests may be traded at large discounts or premiums to their net asset value, which may in turn affect the net asset value of the Sub-Fund.

Risks associated with derivatives
The Sub-Fund may have exposure to derivatives for investment purposes or for hedging purposes. Given the leverage effect embedded in derivatives, such investments may result in higher volatility or a significant loss in the Sub-Fund's assets within a short period of time. Furthermore, where the use of derivatives for hedging becomes ineffective, the Sub-Fund may suffer significant loss.

Currency risk (including RMB and other currencies)
The Sub-Fund may invest in part in assets quoted in currencies other than its base currency.

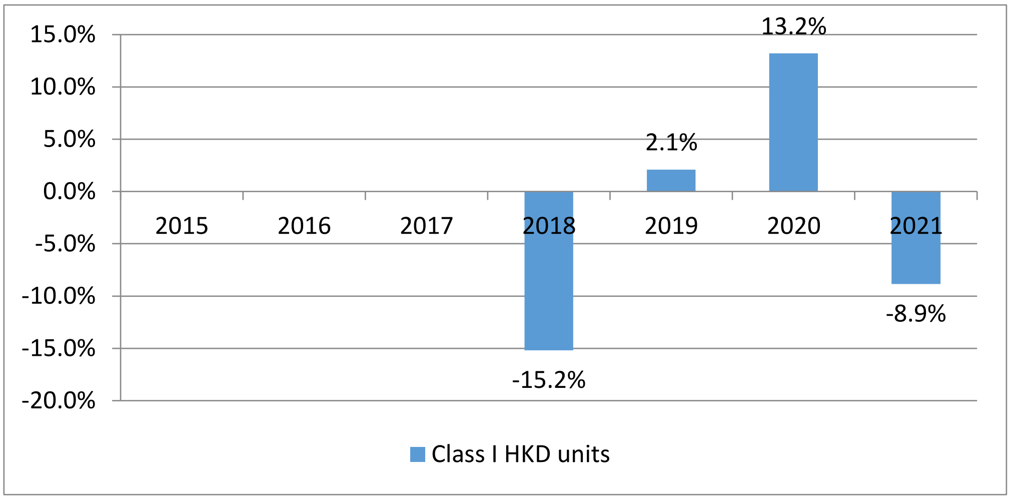
The performance of the Sub-Fund will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and the base currency of the Sub-Fund. Since the Manager aims to maximise returns for the Sub-Fund in terms of its base currency, investors may be exposed to additional currency risk and your investment in the Sub-Fund may suffer losses as a result.

The Sub-Fund may invest in collective investment schemes and/or securities denominated in RMB and hence subject to the RMB currency risk. The RMB currency operates under a managed floating exchange rate regime based on market supply and demand with reference to a basket of foreign currencies. There can be no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of the Sub-Fund's investments denominated in RMB. Subject to the applicable investment restrictions, the Sub-Fund may invest in collective investment schemes and/or securities that are denominated in RMB but settled in other currencies (such as HKD). Its performance may be adversely affected by the movements in the exchange rates between RMB and such other currencies. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies and restrictions of the Chinese government. The Chinese government's policies on exchange control and repatriation restrictions are subject to change, and the Sub- Fund's or the investors' position may be adversely affected.

Risk of investing in convertible bonds

Convertible bonds are subject to risks which typically apply to bonds and equity securities. On the one hand, convertible bonds are subject to interest rate risk and credit risk. On the other hand, the prices of convertible bonds will be affected by the changes in the price of the underlying equity securities which in turn, may have an unfavourable impact on the net asset value of the Sub-Fund.

How has the Sub-Fund performed?



- 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, with dividend reinvested.
- These figures show by how much Class I HKD Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including taking into account charges and excluding subscription fee and redemption fee you might have to pay.
- The Manager views Class I HKD, being the unit class with the longest track record denominated in the Sub-Fund's base currency, as the most appropriate representative unit class.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2017
- Class I HKD Units launch date: 2017

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))	*Maximum level* All classes of units: up to 5% *Current rate* All classes of units: up to 5%
Switching Fee (Switching Charge) (% of total amount being	*Maximum level* All classes of units: up to 2%

switched into)	*Current rate* All classes of units: nil
Redemption Fee (Redemption Charge) (% of total redemption proceeds)	*Maximum level* All classes of units: up to 1% *Current rate* All classes of units: nil

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 HKD Units: 1.50% p.a. Class I HKD Units: 1.25% p.a.
Trustee Fee*#	All classes of units: up to 0.10% p.a.
Custody Fee*#	All classes of units: up to 0.08% 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

*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

#the Trustee may charge a minimum monthly fee of HKD 24,000 if the monthly aggregate of the Trustee Fee and Custody Fee is less than HKD 24,000.

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.
- You may obtain the past performance of other unit classes offered to Hong Kong investors from 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.