PRODUCT KEY FACTS

Haitong Investment Fund Series -
Haitong Asian High Yield Bond Fund

April 2022

Issuer: Haitong International Asset Management (HK) Limited

- ***This statement provides you with key information about Haitong Asian High Yield Bond Fund (the "Sub-Fund").***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of Haitong Investment Fund Series.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	Haitong International Asset Management (HK) Limited
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Dealing frequency:	Daily (on each Business Day[1])
Base currency:	USD
Dividend policy:	Currently on a semi-annual basis for Class A Units and Class I Units, and monthly basis for Class D Units, subject to the Manager's discretion. Distributions may be paid out of the capital or effectively paid out of capital of the Sub-Fund. Any such distributions may result in an immediate reduction of the Net Asset Value per unit of the Sub-Fund.
Ongoing charges over a year:	

Class A (USD)*	1.19%
Class A (RMB)*	1.19%
Class A (RMB Hedged)*	1.19%
Class A (HKD) *	1.19%
Class D (USD)*	1.19%
Class D (RMB)#	1.19%
Class D (RMB Hedged)#	1.19%
Class D (HKD)*	1.19%
Class I (USD)*	0.99%
Class I (RMB)#	0.99%
Class I (RMB Hedged)#	0.99%
Class I (HKD)#	0.99%

Financial year end of this Sub-Fund:	31 December

[1] means a day (other than a Saturday or Sunday) on which banks in Hong Kong are open for normal banking business, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager determines otherwise.

*The ongoing charges figure is based on the ongoing expenses for the year ended 31 December 2021 expressed as a percentage of the Sub-Fund's average net asset value for the same period according to the latest annual financial statement as of 31 December 2021. This figure may vary from year to year.
#This figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the respective class of units of the Sub-Fund expressed as a percentage of the respective class of units of the Sub-Fund's estimated average Net Asset Value. The actual figure may be different from this estimated figure and may vary from year to year.

	Class A	Class D	Class I
Min. investment:	Class A (USD): USD1,000 Class A (RMB): RMB1,000 Class A (RMB Hedged): RMB1,000 Class A (HKD): HKD1,000	Class D (USD): USD2,000 Class D (RMB): RMB10,000 Class D (RMB Hedged): RMB10,000 Class D (HKD): HKD10,000	Class I (USD): USD2,000,000 Class I (RMB): RMB2,000,000 Class I (RMB Hedged): RMB2,000,000 Class I (HKD): HKD2,000,000
Min. holding:	Minimum value of Units held in each class: Class A (USD): USD1,000 Class A (RMB): RMB1,000 Class A (RMB Hedged): RMB1,000 Class A (HKD): HKD1,000	Minimum value of Units held in each class: Class D (USD): USD2,000 Class D (RMB): RMB10,000 Class D (RMB Hedged): RMB10,000 Class D (HKD): HKD10,000	Minimum value of Units held in each class: Class I (USD): USD2,000,000 Class I (RMB): RMB2,000,000 Class I (RMB Hedged): RMB2,000,000 Class I (HKD): HKD2,000,000
Min. redemption:	Minimum value of Units redeemed in each class: Class A (USD): USD1,000 Class A (RMB): RMB1,000 Class A (RMB Hedged): RMB1,000 Class A (HKD): HKD1,000	Minimum value of Units redeemed in each class: Class D (USD): USD2,000 Class D (RMB): RMB10,000 Class D (RMB Hedged): RMB10,000 Class D (HKD): HKD10,000	Minimum value of Units redeemed in each class: Class I (USD): USD2,000,000 Class I (RMB): RMB2,000,000 Class I (RMB Hedged): RMB2,000,000 Class I (HKD): HKD2,000,000

What is this product?

Haitong Asian High Yield Bond Fund is a sub-fund of Haitong Investment Fund Series which is a Hong Kong domiciled umbrella structure unit trust established by a trust deed dated 18 April 2016. It is governed by the laws of Hong Kong.

Objective and Investment Strategy

Objective

The Sub-Fund aims to achieve a high level of income and capital growth through investing primarily in a diversified portfolio of high yielding debt instruments traded or issued in Asia markets.

Policies

The Sub-Fund will invest primarily (i.e. at least 80% of its Net Asset Value) in a broad range of high yielding debt instruments including, but not limited to, government bonds, corporate bonds, and convertible bonds or other similar securities which are unrated or rated below investment grade by Fitch or Moody's or Standard and Poor's. The Sub-Fund may invest in bonds distributed or issued in Asia that are denominated in any currency. The Sub-Fund may invest no more than 20% of its Net Asset Value in (i) debt instruments traded or issued in non-Asian markets and (ii) fixed income collective investment schemes. The Sub-Fund may have limited exposure to RMB-denominated investments, and may invest no more than 10% of its Net Asset Value in RMB denominated debt securities issued or distributed outside the mainland China (e.g. "Dim Sum" bonds). The Sub-Fund may invest up to 50% of its Net Asset Value in urban investment bonds issued or distributed outside the mainland China, which are debt instruments issued by mainland local government financing vehicles ("**LGFVs**"). These LGFVs are separate legal entitles established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects in the PRC.

The Sub-Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features (e.g. contingent convertible debt securities, senior non-preferred debts, etc). 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 invest in financial derivative instruments for hedging purposes only. The types of financial derivative instruments used for hedging currency and interest rate risks include but is not limited to swaps, futures and deliverable and non-deliverable forwards.

The Sub-Fund will generally hold up to 20% of its Net Asset Value in cash or cash equivalents pending reinvestment under normal market circumstances, but may increase its holding up to 40% of its Net Asset Value in cash or cash equivalents under exceptional circumstances (such as market crash or major crisis) in order to protect the assets of the Sub-Fund, mitigate risk or maintain liquidity of the Sub-Fund.

The Sub-Fund does not currently:

(a) intend to invest more than 10% of its Net Asset Value in securities issued and/or guaranteed by a single sovereign issuer (including its government, a public or local authority of that country) which is rated below investment grade by Fitch or Moody's or Standard and Poor's and/or is unrated. In the event of split rating, the highest credit rating accredited to the relevant sovereign issuer will be deemed the reference credit rating;
(b) intend to invest in RMB denominated debt securities issued or distributed within the mainland China;
(c) invest in asset-backed securities, mortgage-backed securities and/or asset-backed commercial papers.

The Manager currently does not intend to enter into any securities financing transactions or other similar over-the-counter transactions in respect of the Sub-Fund. The approval of the

SFC will be sought and at least one month's prior notice will be given to Unitholders should there be a change in such intention.

Use of derivatives

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

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. General investment risk

- The Sub-Fund is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal.
- There is also no guarantee of dividend or distribution payments during the period you hold the units of the Sub-Fund.
- 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.

2. Emerging markets risk

- The Sub-Fund may invest in Asian emerging markets. Investing in emerging markets involves increased risks and special consideration not typically associated with investment in more developed markets such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a higher degree of volatility.

3. Geographical concentration risk

- The Sub-Fund's investments are concentrated in Asia debt securities (for instance, the Sub-Fund's investments may be concentrated in debt securities issued by companies that are based in, or with the majority of their business in mainland China). The Sub-Fund may be adversely affected by or depend heavily on the performance of such debt securities. Investors should also be aware that the value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments, such as a global bond fund. The Sub-Fund may be more susceptible to fluctuations in value resulting from limited number of holdings or from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asian markets.
- Investing in debt instruments issued by companies that are based in, or with the majority of their business in mainland China is subject to the risks of investing in emerging markets, the risks relating to debt securities and additional risks which are specific to mainland China. Such investments may be sensitive to changes in law and regulation and political, social or economic policy in mainland China.

4. Risks relating to debt securities

Investment in the Sub-Fund is subject to risks that apply to debt securities as follows, and may be subject to losses:

Credit risk

- The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities it invests in. The debt securities that the Sub-Fund invests in may be offered on an unsecured basis without collateral. The Sub-Fund may therefore be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

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 at all times. The rating of an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. Rating agencies might not always change their credit rating of an issuer in a timely manner to reflect events that could affect the issuer's ability to make scheduled payment on its obligations. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

Credit rating downgrading risk

- The credit rating assigned to a security or an issuer may be subject to the risk of being subsequently downgraded. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, the Sub-Fund's investment value in such security (and in turn the value of the Sub-Fund) may be adversely affected. If the Sub-Fund continues to hold such securities, it will be subject to additional risk of loss. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

Below investment grade and unrated securities risk

- The Sub-Fund may invest in below investment grade and unrated debt securities. Such securities are generally subject to lower liquidity, higher volatility, greater risk of loss of principal and interest, higher degree of counterparty risk and credit risk than high-rated debt securities.

Sovereign 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 issuers may not be able or willing to repay the principal and/or 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 debt issuers.

Interest rate risk

- Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt securities are usually more sensitive to interest rate changes. If the debt securities held by the Sub-Fund fall in value, the Sub-Fund's value will also be adversely affected.

Valuation risk

- Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuation turns out to be incorrect, the Net Asset Value of the Sub-Fund may be adversely affected.

Volatility / Liquidity risk

- The debt securities in the Asian markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuation. The debt securities in which the Sub-Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs. If sizeable redemption requests are received, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses in trading such securities.

5. Risks associated with urban investment bonds

- Although urban investment bonds are issued by local government financing vehicles, such bonds are typically not guaranteed by local governments or the central government of the PRC. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the Net Asset Value of the Sub-Fund could be adversely affected.

6. Risks of investing in convertible bonds

- The Sub-Fund may invest in convertible bonds, which are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

7. Derivative risk

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

8. Currency risk

- The Sub-Fund's underlying investments may be denominated in currencies other than the Base Currency. The Net Asset Value of the Sub-Fund may be affected favourably or unfavourably by changes in exchange rate control regulations and by fluctuations in the exchange rates between the Base Currency and other currencies. A Unit Class may be designated in a currency other than the Base Currency of the Sub-Fund. Changes in the exchange rate between the Base Currency and such designated currency may lead to a depreciation of the value of such Units as expressed in the designated currency.

9. RMB currency risk and RMB classes related risk

- RMB is currently not a freely convertible currency. The supply of RMB and the conversion of foreign currency into RMB are subject to exchange control policies and restrictions imposed by the Chinese authorities; therefore, currency conversion is subject to availability of RMB at the relevant time.
- When calculating the value of the RMB classes, the offshore RMB in Hong Kong (the “CNH”) will be used. Although CNH and onshore RMB in China (the “CNY”) are the same currency, the CNH exchange rate may be at a premium or discount to the CNY exchange rate and there may be significant bid and offer spreads. Any divergence in the CNH/CNY exchange rate may adversely impact the value of the RMB classes and their investors.
- Investments in RMB classes by non-RMB based investors are subject to foreign exchange risk. There can be no assurance that the value of RMB against the investors’ base currencies (for example Hong Kong dollars) will not depreciate. Any depreciation of RMB could adversely affect the value of investors’ investments in the RMB classes of the Sub-Fund and investors may suffer losses. Non-RMB based investors may have to convert Hong Kong dollars or other currencies into RMB when investing in the RMB classes and may need to convert RMB redemption proceeds and/or RMB dividends into Hong Kong dollars or other currencies. During these processes, investors will incur currency conversion costs. Under exceptional circumstances, payment of redemptions and/or dividend payment (if applicable) in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

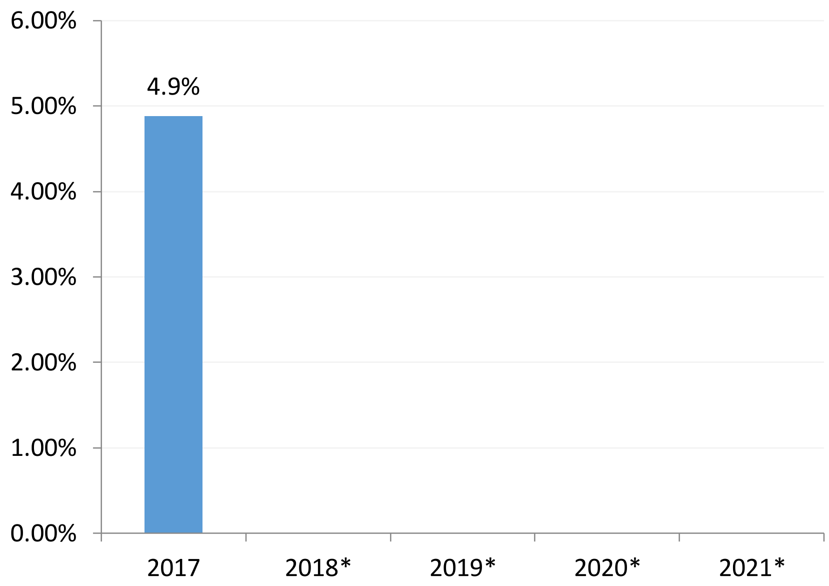
10. Currency hedged unit classes risk

- The currency hedging process used with currency hedged unit classes may not give a precise hedge and there is no guarantee that hedging will be completely successful. Returns of such unit classes may be significantly different over time than those of unhedged unit classes. Investors in currency hedged unit classes bear the associated costs and may also be exposed to the risks associated with the instruments used in the hedging process.

11. Risks associated with distribution out of/effectively out of capital

- The Manager has the discretion to determine if and to what extent distributions will be paid out of capital attributable to the relevant Distribution Class. Payment of dividends out of capital and/or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investments. Any such distributions may result in an immediate reduction of the Net Asset Value per unit.
- The distribution amount and Net Asset Value of the currency hedged unit classes may be adversely affected by differences in the interest rates of the reference currency of the currency hedged unit classes and the Sub-Fund’s base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than the other non-currency hedged unit classes.

How has the Sub-Fund performed?



- The bar chart above provides the past performance information in respect of Class A (HKD). Given that Class A (HKD) is a class that targets the retail investors in Hong Kong, the Manager has selected Class A (HKD) as a representative class to indicate the past performance of the Sub-Fund.
- The past performance information is not indicative of future performance. Unitholders may not get back the full amount invested.
- These figures show by how much Class A (HKD) increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding preliminary charge, redemption charge and switching charge you might have to pay.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Launch date of the Sub-Fund: May 2016
- Launch date of Class A (HKD): June 2016
- Investors may obtain the past performance information for the other Classes of the Sub-Fund, if available, at http://www.htisec.com/asm[2].

*There is insufficient data available in 2018, 2019, 2020 and 2021 to provide a useful indication of past performance as all Class A (HKD) Units were redeemed in 2018 and the next subscription in Class A (HKD) Units was in March 2021.

Is there any guarantee?

This 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?

[2] Please note that this website has not been reviewed by the SFC.

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 Charge* (% of total subscription amount)	Class A, Class D and Class I: Currently up to 3%^
Redemption Charge* (% of redemption amount)	Class A, Class D and Class I: Nil
Switching Charge* (% of the subscription amount of the sub-fund being switched into)	Class A, Class D and Class I: up to 2%^

^ Different distributors may impose different level of subscription/switching charge. Unitholders should check with their respective distributors for the applicable level.

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.

Annual rate (as a % of the Sub-Fund's Net Asset Value)

Management Fee*	Class A: 1% p.a. Class D: 1% p.a. Class I: 0.8% p.a.
Trustee Fee*	Class A , Class D and Class I: 0.13% p.a. for Net Asset Value below US$50 million 0.12% p.a. for Net Asset Value equal to or above US$50 million (plus a fee of US$4,000 per annum), subject to a monthly minimum fee of US$3,000
Performance fee	Nil

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 its offering document.

*You should note that this fee may be increased, up to a specified permitted maximum, by giving unitholders at least one month's prior notice. For details, please refer the section headed "Fees and Expenses" in the Explanatory Memorandum.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined Net Asset Value (NAV) after the Trustee, directly or via the Authorised Distributor(s), or the Manager receives your request in good order on or before 4:00 p.m. (Hong Kong time) on the relevant Dealing Day[3], which is generally every Business Day.

- The Net Asset Value of this Sub-Fund is calculated and the price of units published on each Business Day. The Net Asset Value of this Sub-Fund will be available on the website http://www.htisec.com/asm/en/unittrusts.jsp [4].

- The compositions of the dividends of the Sub-Fund (i.e. the relative dividends paid out of net distributable income and capital) (if any) for the last 12 months are available from the Manager on request and also on the website http://www.htisec.com/asm/en/download.jsp[4].

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.

[3] 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.

[4] Please note that this website has not been reviewed by the SFC.