



PRODUCT KEY FACTS
AIA Asia (ex Japan) Equity Fund
a sub-fund of AIA Wealth Funds

Issuer: AIA Investment Management HK Limited

April 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

Fund Manager: AIA Investment Management HK Limited (the “**Manager**”)

Trustee: AIA Company (Trustee) Limited

Custodian: Citibank N.A.

Ongoing charges over a year[#]: Class A 1.77%

[#]The ongoing charges figure is based on expenses for the year ended 31 December 2021. This figure may vary from year to year.

Please note that the Manager will bear the establishment costs attributable to the Sub-Fund for the first two accounting periods from the time units in the Sub-Fund are first issued, subject to any extension by the Manager. The ongoing charges figure(s) in the subsequent year(s) may increase should the Manager cease to bear the establishment costs of the Sub-Fund.

Dealing frequency: Daily

Base currency: USD

Dividend policy: As Class A is an Accumulation Class, the Manager does not intend to pay distributions. Any net income and net realised capital gains attributable to units of Class A will be reflected in its net asset value.

Financial year end: 31 December

Minimum investment: Class A US\$1,000 (initial), US\$1,000 (additional)

What is this product?

AIA Asia (ex Japan) Equity Fund (the “**Sub-Fund**”) is a sub-fund of AIA Wealth Funds, a Hong Kong domiciled umbrella structure unit trust which is governed by the laws of Hong Kong.

Objective and Investment Strategy

Investment Objective

The Sub-Fund seeks to provide capital growth by investing in equities and equity related securities of companies in the Asia (ex Japan) region.

Investment Strategy

The Sub-Fund seeks to achieve its objective through investing primarily (i.e. at least 70% of its latest available net asset value) in equities and equity related securities of companies in the Asia (ex Japan) region.

A company is considered as a company in the Asia (ex Japan) region if:

- (i) it is organised or incorporated under the laws of, or with its principal offices in, one of the jurisdictions in the Asia (ex Japan) region; or
- (ii) it has significant portion of its assets, products or operations in one or more of the jurisdictions in the Asia (ex Japan) region; or
- (iii) the securities or instruments that it issues are primarily listed, traded or quoted on one of the stock exchanges in the Asia (ex Japan) region; or
- (iv) its principal business activities are located in one or more jurisdictions in the Asia (ex Japan) region; or
- (v) it has substantial business dealings with entities from, or derives substantial revenue or profit from, or whose subsidiaries, related or associated corporations derive substantial revenue or profits from, one or more of the jurisdictions in the Asia (ex Japan) region; or
- (vi) the relevant securities or instruments that it issues are denominated in the local currency of a jurisdiction in the Asia (ex Japan) region.

For the purpose of this Sub-Fund, “**Asia (ex Japan) region**” includes but is not limited to: Mainland China, South Korea, Taiwan, Hong Kong, Macau, India, Singapore, Malaysia, Indonesia, Thailand, Pakistan, Philippines, Vietnam, Cambodia and Laos. For the avoidance of doubt, Asia (ex Japan) region excludes Japan.

For the remainder of the Sub-Fund’s assets, less than 30% of its latest available net asset value may be invested in equities and equity related securities of companies which do not meet the above requirements, debt securities, and/or cash or cash equivalents. Under exceptional circumstances (e.g. market crash or major crisis), the Sub-Fund may temporarily invest substantially (i.e. up to 100%) in cash and/or cash equivalents for cash flow management.

Equities and equity related securities include but not limited to shares, depositary receipts, exchange traded funds (“**ETFs**”), listed real estate investment trusts (subject to a maximum exposure of less than 30% of the Sub-Fund’s latest available net asset value), warrants, common stock and preferred stock. Exposure to equity and equity related securities may be obtained indirectly through investments in collective investment schemes (including collective investment schemes managed by the Manager or a connected person of the Manager), however, the Sub-Fund’s investments in other collective investment schemes will be less than 30% of its latest available net asset value. The Sub-Fund may also invest in convertible securities, however, investments in convertible securities will be less than 30% of the Sub-Fund’s latest available net asset value.

The Sub-Fund may invest in securities issued by companies of any market size, of any industry or sector (as the case may be) and in such proportion as the Manager deems appropriate. The Sub-Fund may invest less than 30% of its latest available net asset value directly in China A-Shares and/or China B-Shares through the Shanghai-Hong Kong Stock Connect Scheme and the Shenzhen-Hong Kong Stock Connect Scheme and/or such other means as may be permitted by relevant regulations from time to time, and/or indirectly by way of access products and/or other collective investment schemes investing in China A-Shares and/or China B-Shares.

The Manager currently does not intend to enter into any securities lending transactions, sale and repurchase transactions and reverse repurchase transactions in respect of the Sub-Fund.

Use of derivatives / investment in 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 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.

- **Equity investment risks**

- Investing in equity securities may offer a higher rate of return than those investing in short term and longer term debt securities. However, the risks associated with investments in equity securities may also be higher. The market value of the equity securities that it invests in may go down as well as up. A fall in the market value of equity securities may have an adverse impact on the Sub-Fund.

- **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.
- Securities exchanges may have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

- **Concentration risk**

- The Sub-Fund's investments are concentrated in Asia (ex Japan) region. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asia (ex Japan) region market.

- **Emerging market risk and frontier markets risk**

- The Sub-Fund invests in emerging markets which may involve increased risks and special considerations 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 high degree of volatility.
- Emerging markets may be subject to higher market volatility and potential settlement difficulties and may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.
- The Sub-Fund may invest in countries/regions which may be considered as frontier markets, which generally refer to developing emerging markets or economies that are considered to be smaller, less developed and less accessible than more developed emerging markets. Investments in frontier markets involve risks similar to investments in emerging markets but to a greater extent.

- **Risks relating to investment in ETFs**

- **Passive investment risks:** An underlying ETF may be passively managed and the manager of the relevant ETF will not have the discretion to adapt to market changes. Falls in the underlying index of the relevant ETF are expected to result in corresponding falls in the value of the relevant ETF and the Sub-Fund.
 - **Trading error risks:** An underlying ETF may be subject to tracking error risk, which is the risk that its performance may not track that of the index exactly.
 - **Termination risk:** An underlying ETF may be terminated early under certain circumstances, for example, where the index is no longer available for benchmarking. The Sub-Fund may not be able to recover their investments and suffer a loss when the ETF is terminated.
- **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 shares 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.
- **Hedging risk**
 - The Manager is permitted, but not obliged, to use hedging techniques such as using futures, options and/or forward contracts to attempt to offset market and currency risks. There is no guarantee that hedging techniques will fully and effectively achieve their desired result and hedging may become inefficient or ineffective. This may have adverse impact on the relevant Sub-Fund and its investors.
- **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.

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.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 19 August 2020.

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 (subscription charge)
(% of subscription amount)

Class A: Up to 5%

Switching fee
(% of the total amount being converted)

Class A: Up to 5%

Redemption fee

Class A: Nil

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 (current rates as a % of the Sub-Fund's net asset value)

Management fee*

Class A: 1.50% per annum

Trustee fee*

Class A: 0.05% per annum

Custodian fee*

Class A: Up to 0.077% per annum

The Custodian is also entitled to charge transaction charges at customary market rates, where necessary.

Application and Redemption Agent fee*

Class A: 0.005%

Performance fee

Nil

Administrator fee*

Class A: 0.02% per annum

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

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 net asset value after the Application and Redemption Agent (i.e. Citicorp Financial Services Limited) or the authorised distributors receive your request in good order on or before 5:00 p.m. (Hong Kong time) being the dealing cut-off time. The authorised distributors may impose different dealing deadlines for receiving requests from investors. Investors should confirm the arrangements with the authorised distributor(s) concerned.
- The net asset value of the Sub-Fund is calculated and the price of units published each "business day". They are available online at the Manager's website <https://investment.aia.com/hk/index.html>. Please note that the aforesaid 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.