

PRODUCT KEY FACTS



Haitong Investment Fund Series - Haitong Hong Kong Equity Investment Fund

April 2022

Issuer: Haitong International Asset Management (HK) Limited

- ***This statement provides you with key information about Haitong Hong Kong Equity Investment 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:	Class A and Class I - no dividend distribution

Ongoing charges over a year:

Class A (USD) *	1.90%
Class A (RMB) #	1.90%
Class A (HKD) #	1.90%
Class I (USD) *	1.60%
Class I (RMB) #	1.60%
Class I (HKD) #	1.60%

Financial year end of this

Sub-Fund: 31 December

*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 I

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.

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

What is this product?

Haitong Hong Kong Equity Investment 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 seeks long-term capital growth through a diversified portfolio of investments in shares of Hong Kong companies or shares of companies listed, quoted or traded on the stock exchange of Hong Kong.

Policies

At least 80% of the Net Asset Value of the Sub-Fund will be invested in equities listed on the stock exchange in Hong Kong.

Up to 20% of the Sub-Fund's Net Asset Value may be invested in cash, deposits, short-term papers (such as treasury bills, certificates of deposit, banker's acceptances, short-term commercial papers), other fixed income instruments, debt securities, collective investment schemes (including exchange-traded funds), futures and options.

The Sub-Fund has no prescribed industry sector, market capitalisation or currency denomination limits in respect of its investments.

The Sub-Fund's investment in debt securities is not subject to any credit rating requirements and may invest in debt securities which are rated below investment grade by internationally recognised credit agency (e.g. Fitch or Moody's or Standard and Poor's) or unrated.

The Sub-Fund does not currently 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.

The Sub-Fund does not currently intend to invest in asset-backed securities and mortgage backed securities.

Derivatives (other than futures and options) may be used for hedging purposes only.

The Sub-Fund may have limited exposure to RMB-denominated investments (such as equities denominated in RMB listed on the stock exchange in Hong Kong and fixed income instruments denominated in RMB (for example, "Dim Sum" bonds)).

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 Securities and Futures Commission ("**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.
- 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. Risks relating to equity securities

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, including but not limited to, changes in investment sentiment, political and economic conditions, regional or global economic instability, issuer-specific factors, currency and interest rate fluctuations.
- If the market value of equity securities in which the Sub-Fund invests in goes down, its Net Asset Value may be adversely affected, and investors may suffer substantial losses.

3. Concentration risk

- The Sub-Fund's investments are concentrated in Hong Kong equity securities. The Sub-Fund may be adversely affected by or depend heavily on the performance of Hong Kong equity 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 equity fund, as the Sub-Fund is 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 Hong Kong.

4. Risk relating to small- and mid-capped companies

- The Sub-Fund may invest in the securities of small- and/or mid-capped companies. The stock of small- and mid-capped companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger-capped companies in general. Investing in these securities may expose the Sub-Fund

to other risks such as less publicly available information and greater vulnerability to fluctuations in the economic cycle.

5. 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.

6. 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.

7. 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 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.

How has the Sub-Fund performed?



- The bar chart above provides the past performance information in respect of Class A (USD). Given that Class A (USD) is a class that targets the retail investors in Hong Kong, the Manager has selected Class A (USD) as a representative class to indicate the past performance of the Sub-Fund.
- Launch date of the Sub-Fund: May 2016
- Launch date of Class A (USD): October 2020
- Investors may obtain the past performance information of the other Classes of the Sub-Fund if available at <http://www.htisec.com/asm>².

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?

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

Subscription Charge*
(% of total subscription amount)

Redemption Charge*
(% of redemption amount)

Switching Charge*

What you pay

Class A and Class I: Currently up to 5%^

Class A and Class I: Nil

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

(% of the subscription amount of the sub-fund being switched into) Class A 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: 1.5% p.a. Class I: 1.2% p.a.
Trustee Fee*	Class A 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 Day³, 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/download.jsp>⁴.

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.

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.