PRODUCT KEY FACTS

New Capital Hong Kong Unit Trust Series - New Capital Wealthy Nations Fixed Maturity Bond Fund 2024

April 2022

EFG Asset Management (HK) Limited

- ***This statement provides you with key information about New Capital Wealthy Nations Fixed Maturity Bond Fund 2024 (the "Sub-Fund").***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of New Capital Hong Kong Unit Trust Series.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	EFG Asset Management (HK) Limited
Investment Delegate:	EFG Asset Management (UK) Limited (Internal delegation, UK)
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year*:	USD Ord Dist Class – 0.75% USD Ord Acc Class – 0.75% HKD Ord Dist Class – 0.75% SGD Hedged Ord Dist Class – 0.75% AUD Hedged Ord Dist Class – 0.75%
Dealing frequency^:	Daily, each day (other than a Saturday or Sunday) on which banks in Hong Kong and UK are open for normal banking business ^ The Sub-Fund is open for subscription from 16 March 2020 to 31 March 2020 (or such earlier date as may be determined by the Manager after the minimum subscription level of USD20 million (or such other minimum amount as may be determined by the Manager at its sole discretion) (the "**Minimum Subscription Level**") has been received by the Sub-Fund) (the "**Initial Offer Period**"). The Sub-Fund will be closed to subsequent subscriptions after the Initial Offer Period, unless the Manager, in its absolute discretion and without the obligation of issuing any prior notice to existing unitholders, determines to re-open a particular class or classes of units of the Sub-Fund to subsequent subscriptions. Notwithstanding the above, unitholders may continue to redeem their units at any time, including after the Sub-Fund has been closed to subsequent subscription. Switching between classes of units of the Sub-Fund, switching of units of the Sub-Fund into another fund and switching of units of another fund into the Sub-Fund are not allowed (including during the Initial Offer Period and subsequent re-opened period(s) (if any)).
Base currency:	USD
Dividend policy:	<u>USD Ord Dist Class, HKD Ord Dist Class, SGD Hedged Ord Dist Class, AUD Hedged Ord Dist Class:</u> Currently on a quarterly basis, subject to the Manager's discretion. Distributions may, at the Manager's discretion, be paid out of the capital or gross income while charging/paying all or part of the Sub-Fund's fees and expenses attributable to the unit class to the capital of the unit class, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund in respect of the unit class, in which case, the unit class is effectively paying dividends out of capital. Distributions out of capital or

	effectively out of capital may result in an immediate reduction of net asset value per unit of the unit class. <u>USD Ord Acc Class:</u> No distribution will be declared or distributed.
Financial year end of the Sub-Fund:	30 June
Minimum investment:	USD Ord Dist Class – USD10,000 initial, USD10,000 subsequent# USD Ord Acc Class – USD10,000 initial, USD10,000 subsequent# HKD Ord Dist Class – HKD100,000 initial, HKD50,000 subsequent# SGD Hedged Ord Dist Class – SGD15,000 initial, SGD15,000 subsequent# AUD Hedged Ord Dist Class – AUD10,000 initial, AUD10,000 subsequent# # Only applicable where the Sub-Fund is open (or has been re-opened) to subsequent subscriptions after the close of the Initial Offer Period.

* The ongoing charges figure is an annualized figure based on the ongoing expenses chargeable to the relevant unit class expressed as a percentage of the relevant unit class' average net asset value for the period from 1 July 2021 to 31 December 2021. These figures may vary from year to year.

What is this product?

- New Capital Wealthy Nations Fixed Maturity Bond Fund 2024 is a sub-fund of New Capital Hong Kong Unit Trust Series, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong.
- The Sub-Fund will have an investment period of approximately 4 years from the close of the Initial Offer Period and will be terminated automatically at the end of the investment period, which is expected to be on or around 31 March 2024 (the "**Maturity Date**").
- All units will be compulsorily redeemed at the Maturity Date at the prevailing net asset value per unit and proceeds will be distributed to unitholders (who hold units in the Sub-Fund as at the Maturity Date).
- Investors should note that while no upward (downward) swing pricing adjustment will apply and they will only be subject to a subscription (redemption) charge of up to 5% (3%) of the subscription (redemption) amount for subscriptions (redemptions) during the Initial Offer Period, they may be subject to an aggregate charge of up to approximately 7% (5%) of the subscription (redemption) amount for subscriptions (redemptions) during the period(s) when a particular class or classes of units of the Sub-Fund is re-opened for subscription after the Initial Offer Period (if any) (after the Initial Offer Period), if subscription (redemption) charge and upward (downward) swing pricing adjustments are imposed simultaneously as described in the sub-section "Charges which may be payable by you" under the section "What are the fees and charges?" of this statement.

Objective and Investment Policy

Objective

The Sub-Fund aims to generate income throughout the investment period and return the capital value of investment at its maturity (for the avoidance of doubt, the Sub-Fund is not a guarantee or capital protected product). The Sub-Fund seeks to achieve its investment objective by providing unitholders with exposure to a buy-and-hold portfolio of global debt securities over an overall fixed investment period of approximately 4 years from the close of the Initial Offer Period up to the Sub-Fund's Maturity Date.

Policy

In seeking to achieve the Sub-Fund's investment objective, the Investment Delegate looks to invest at least 70% of its net asset value in short and medium term debt securities issued by wealthy nations and companies within wealthy nations. Wealthy nations are countries which have a level of net indebtedness (determined by its "net foreign assets score", which is the value of assets a country owns abroad, minus any debts owed to foreigners) at less than 50% of its gross domestic product.

The Sub-Fund will invest in a broadly diversified range of debt securities (including inter alia notes, bills, bonds, commercial paper, certificates of deposit and floating rate notes) issued by governments, institutions and corporations in both developed and developing markets. The Sub-Fund will invest at least 60% of its net asset value in a portfolio of debt securities with investment grade ratings (i.e. Investment Grade). Investment Grade bond is defined as a bond rated above those of high yield bonds, as indicated by a rating higher than and including BBB- by Standard & Poor's and Fitch or Baa3 by Moody's or an equivalent rating from an internationally recognized credit rating agency in accordance with the rating at the time of purchase. For the avoidance of doubt, if the ratings of the debt securities amongst credit rating agencies differ, the highest available rating assigned by an internationally recognized credit agency will be used for the purpose of this determination. Any debt security which (or the issuer of which) is not rated by any international rating agency such as Moody's, Standard & Poor's or Fitch will be considered as "unrated".

The Sub-Fund may not invest more than 10% of its net asset value in sovereign securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) that has a credit rating below Investment Grade or is unrated.

The Sub-Fund may invest up to 50% of its net asset value in callable bonds. The Sub-Fund will not invest in asset-backed securities (including mortgage-backed securities).

Subject to the discretion of the Investment Delegate and with a view to maximizing potential returns, the Sub-Fund will adopt a buy and hold strategy with active risk monitoring. The Manager will actively monitor and manage the risk level of the portfolio during the investment period. When the credit rating of an instrument or issuer falls below Investment Grade or its credit profile deteriorates in the opinion of the Manager after initial purchase, the Manager will, at its full discretion, decide whether to hold or sell such instrument after considering various factors, including but not limited to risk of default, time to maturity, liquidity and market price, and re-invest the sale proceeds in other debt securities within the scope of the above investment strategy.

The Sub-Fund may invest less than 40% of the net asset value in non-Investment Grade debt securities and unrated debt securities.

Pending investment of the proceeds of subscription or where market or other factors so warrant (such as a prolonged bearish market with market volatilities rising, deteriorating sentiments or rapidly worsening economic fundamentals), up to 100% of the Sub-Fund's net assets may, on a temporary basis, be invested in money market instruments (including but not limited to certificates of deposit, floating rate notes or commercial paper) rated A1 or better by Standard & Poor's or P1 or better by Moody's or an equivalent credit rating assigned by an internationally recognized credit agency and cash deposits denominated in such currency or currencies as the Investment Delegate may determine. Any such cash deposits shall be held for ancillary liquid asset purposes only.

The maturity or remaining investment term of at least 70% of the Sub-Fund's underlying investments will be shorter than the Sub-Fund's remaining investment period.

Proceeds received from instruments maturing or liquidating before the Maturity Date will be reinvested or held in cash and cash equivalents, at the Manager's discretion. Over a period of approximately 6 months approaching the Sub-Fund's Maturity Date, the Sub-Fund will no longer be subject to investing at least 60% of its net asset value in a portfolio of debt securities with Investment Grade ratings; instead, the portfolio will be managed so that investments match the Maturity Date, by investing up to 100% of its net asset value in shorter-dated financial instruments issued by governments or by corporate issuers such as commercial paper, bonds, notes, bills, deposits and certificates of deposits, and up to 10% in collective investment schemes which invest in these instruments. Furthermore, the Manager may hold up to 100% of the Sub-Fund's net asset value in cash or cash equivalents within the three-month period preceding the Maturity Date in anticipation of the Sub-Fund's maturity. As such, the Sub-Fund's yield may generally tend to move towards the then prevailing money market rates and may be lower than the yields of the debt securities previously held by the Sub-Fund and lower than prevailing yields for similar debt securities in the market, and consequently the investments held by the Sub-Fund may not be reflective of the Sub-Fund's investment strategy as disclosed in this section as the Maturity Date approaches.

The Sub-Fund may use derivatives (such as options, warrants, and financial futures contracts) for hedging purposes only.

It is intended that no more than 20% of the net asset value of the Sub-Fund will be invested in securities that are: (a) denominated in the currency of a developing market; (b) and/or listed on a market that is located in a local developing market.

The Sub-Fund may invest in open-ended collective investment schemes to give exposure to investments in which the Sub-Fund may invest directly in accordance with the above investment policy. Investment in collective investment schemes in aggregate shall not exceed 10% of the net asset value of the Sub-Fund.

The Sub-Fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features ("LAP"), such as in Additional Tier 1 (AT1), Tier 2 and senior non-preferred debts (e.g. Tier 3) debt instruments. LAP is intended to capture debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of (a) when a financial institution is near or at the point of non-viability or (b) when the capital ratio of a financial institution fails to meet a specified level.

The Sub-Fund is expected to have an investment period of approximately 4 calendar years from the close of the Initial Offer Period and the Sub-Fund will be terminated automatically at the maturity which is expected to be on or around the Maturity Date. It is intended that the Sub-Fund's term will end in 2024 when the Sub-Fund will be liquidated and units of the Sub-Fund will be compulsorily redeemed at the prevailing net asset value per unit. The Maturity Date will be confirmed on or before the launch of the Sub-Fund. Unitholders will be notified by way of a termination notice at least one month prior to the Maturity Date to confirm the termination of the Sub-Fund. The costs associated with such termination are estimated to be approximately USD30,000 and shall be amortised over the period from the close of the Initial Offer Period up to the Maturity Date, and any costs in excess will be borne by the Manager.

The Maturity Date may be deferred for up to 3 months if the Manager believes it is in the best interests of investors. Unitholders will be given at least one month's notice prior to the Maturity Date confirming the liquidation of the Sub-Fund or announcing a deferral of the Maturity Date (as the case may be).

The Manager currently does not intend to enter into any securities lending, sale and repurchase and reverse repurchase transactions or other similar over-the-counter 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 net asset value.

What are the key risks?

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

1. Investment risk

- There is no assurance that the investment objective of the Sub-Fund will be achieved. 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.

2. Neither income, return nor capital of the Sub-Fund is guaranteed or protected

- There can be no assurance that an investor will achieve profits or avoid losses. Neither the income, the return nor the capital of the Sub-Fund is guaranteed. The value of investments and the income derived from such investments may fall as well as rise. There are risks that investors may not recoup the original amount invested in the Sub-Fund during the investment period as well as at the Maturity Date. Investment in the Sub-Fund may decline in value and investors should be prepared to sustain a substantial or total loss of their investment.

3. Limited duration risk

- Investors should note that the duration of the Sub-Fund is limited (i.e. up to the Maturity Date). The Sub-Fund will be terminated automatically at maturity and is expected to have an investment period of approximately 4 calendar years. Also, investors should note that the Sub-Fund's underlying investments may have a date to maturity longer or shorter than the investment period of the Sub-Fund.

As a result, the Sub-Fund may need to liquidate some portfolio holdings prematurely at an inopportune time or on unfavourable terms and the value of the Sub-Fund may be adversely affected.

- Although investors are entitled to redeem their holdings in the Sub-Fund during the investment period, they are advised to consider whether the expected investment period of 4 calendar years is suitable for their intended objectives before they invest in the Sub-Fund.
- In addition, if the Manager believes it is in the best interests of investors to do so, the Maturity Date may be deferred for up to 3 months. In the event of such deferral, there may be a potential mismatch between the Sub-Fund's duration and an investor's individual expected investment period. There may also be a prolonged period during which a majority of the Sub-Fund's assets are invested in shorter-dated financial instruments and/or are held in cash or cash equivalents, thereby affecting the potential investment return to unitholders upon maturity.

4. Early redemption risk

- In view of the Sub-Fund's operational features, in case investors redeem from the Sub-Fund before the Maturity Date, (a) neither the income nor the capital of Sub-Fund is guaranteed at maturity and redemption of units prior to the Maturity Date will be subject to the value of the portfolio of instruments held by the Sub-Fund. Therefore, redemption proceeds may be lower or higher than the investors' initial investments and there is no guarantee that the investor will receive the full amount of their original investment; (b) such redemptions may be subject to downward adjustment of the redemption price of up to 2% of the original net asset value if the aggregate net investor(s) transactions in units of the Sub-Fund exceed a pre-determined threshold; (c) the decrease in fund size of the Sub-Fund resulting from the redemptions will have an immediate impact on the ongoing charges figure (as a percentage of the Sub-Fund's net asset value), and may lead to adverse impact on investors' return; (d) the redemptions by investors prior to the Maturity Date, if significant, may trigger the early termination of the Sub-Fund (details of triggering events are set out under "Early termination risk" below); and (e) deterioration in the liquidity of the Sub-Fund's underlying investments may also affect the Sub-Fund's ability to pay out redemption or termination proceeds to investors.

5. Prepayment and reinvestment risk

- The issuers of debt securities (especially those issued at high interest rates) may repay principal before the maturity of the instruments. Prepayments may cause losses on instruments purchased at a premium. Unscheduled prepayments for debt securities recalled at par may result in a loss equal to any unamortised premium. Repayment of principal before the Sub-Fund's maturity, proceeds received from debt securities invested by the Sub-Fund maturing before the Maturity Date as well as the re-investment of cash proceeds from the sale of debt securities where a potential deterioration of credit profiles is anticipated by the Manager create out of market risk and the uncertainty of gaining access to debt securities which are subject to similar risk profile while delivering similar yield to maturity resulting in lower interest income and returns to the Sub-Fund.

6. Substantial redemption risk

- If there are substantial redemptions within a short period of time, the Sub-Fund may need to liquidate some positions prematurely at an inopportune time or on unfavourable terms. The value of the Sub-Fund may therefore be adversely affected. In addition, the resulting decrease in the size of the Sub-Fund may immediately increase the ongoing charges of the Sub-Fund as a percentage of the Sub-Fund's net asset value and may have an adverse impact on remaining investors' return. Substantial redemptions may render the size of the Sub-Fund to shrink significantly and trigger the Sub-Fund to be early terminated (see "Early termination risk" below).

7. Early termination risk

- The Sub-Fund may be terminated before the Maturity Date on the occurrence of certain events, such as where the aggregate net asset value of the units outstanding in respect of the Sub-Fund shall be less than USD20 million or its equivalent or a class of units may be terminated where the aggregate net asset value of the units outstanding in respect of such class of units shall be less than USD5 million or its equivalent, or where unitholders resolve to terminate New Capital Hong Kong Unit Trust Series, the Sub-Fund and/or any class of units by extraordinary resolution. Unitholders will be notified by way of a termination notice at least one month prior to the early termination date. Upon the termination of the Sub-Fund, all the assets of the Sub-Fund will be realised and the net proceeds thereof which are available for distribution will be distributed to relevant unitholders with reference to the number of units held by them. It is possible that at the time of such sale or distribution, certain investments held by the

Sub-Fund will be worth less than the initial cost of acquiring such investments, resulting in a loss to investors. Investors should note that the amount distributed to them may be less than the amount of their initial investment, and they will not be entitled to nor compensated for the distributions which would be made. For the avoidance of doubt, any termination costs which have been amortised up to the early termination date will be utilised to pay the Sub-Fund's expenses associated with the termination and any expenses in excess will be borne by the Manager.

8. Limited subscription risk

- With regard to the Sub-Fund's Initial Offer Period, the Manager may exercise its discretion to extend the Initial Offer Period or not to issue any units in the event that (i) the Minimum Subscription Level is not received during the Initial Offer Period; or (ii) the Manager is of the opinion that it is not in the commercial interests of investors or not feasible, as a result of adverse market conditions or otherwise, to proceed with such launch. In such case, investors will be informed of (i) the extension of the Initial Offer Period and any corresponding change to the Maturity Date or (ii) the decision not to proceed with the launch. In the event that the Manager decides not to proceed with the launch, any subscription monies shall be promptly returned to them in full (without any interest) less any applicable bank charges, after the close of the Initial Offer Period.

9. Risk of simultaneous imposition of subscription charge (redemption charge) and upward (downward) swing pricing adjustments for subscriptions (redemptions) after the Initial Offer Period

- The Sub-Fund will be closed to subsequent subscriptions after the Initial Offer Period and no subsequent subscription to the Sub-Fund will be accepted, unless the Manager, in its absolute discretion and without the obligation of issuing any prior notice to existing unitholders, determines to re-open a particular class or classes of units of the Sub-Fund for subscription after the Initial Offer Period. Investors should note that while no upward swing pricing adjustment will apply and they will only be subject to a subscription charge of up to 5% of the subscription amount for subscriptions during the Initial Offer Period, they may be subject to an aggregate charge of up to approximately 7% of the subscription amount for subscriptions during the re-opened period(s) (if any), if subscription charge and upward swing pricing adjustments are imposed simultaneously as described in the sub-section "Charges which may be payable by you" under the section "What are the fees and charges?" of this statement.
- Investors should also note that while no downward swing pricing adjustment will apply and they will only be subject to a redemption charge of up to 3% of the redemption amount for redemptions during the Initial Offer Period, they may be subject to an aggregate charge of up to approximately 5% of the redemption amount for redemptions after the Initial Offer Period, if redemption charge and downward swing pricing adjustments are imposed simultaneously as described in the sub-section "Charges which may be payable by you" under the section "What are the fees and charges?" of this statement.

10. Market risk

- Given that the Sub-Fund will adopt a buy-and-holding strategy (although with active risk monitoring) and have a relatively long investment period of approximately 4 years, it will be more susceptible to extreme market conditions caused by events which may be unprecedented and beyond control of the Manager.
- Where abnormal market circumstances, caused by events which may be unprecedented and beyond the control of the Manager, happen on or before the Maturity Date, the value of the Sub-Fund may be adversely affected, at which point the Sub-Fund may be obliged to liquidate its entire portfolio holdings regardless of the market conditions at that time.

11. Liquidity risk

- Some of the markets in which the Sub-Fund invests may be less liquid and more volatile and this would affect the relevant Sub-Fund's ability to acquire or dispose of securities traded on such markets at their intrinsic value. The Sub-Fund may also encounter difficulties in valuing and/or disposing of assets at their fair price due to adverse market conditions and/or large-scale redemptions. If sizeable redemption requests are received, the Sub-Fund may need to liquidate its investments at a substantial discount to satisfy such requests and this may have adverse impact on the relevant Sub-Fund and its investors.

12. Risks relating to debt securities

<u>Credit / counterparty risk</u>

- The Sub-Fund is exposed to the credit/counterparty risk of issuers of the debt securities that the Sub-Fund may invest in.

Interest rates risk
- Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of the debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

Volatility and liquidity risk
- Debt securities in emerging market countries may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of instruments traded in such markets may be subject to fluctuations. The bid and offer spreads of such instruments may be large and the Sub-Fund may incur significant trading costs.

Credit rating downgrading risk
- The credit rating of a debt securities or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt securities that are being downgraded. In the event of high market volatility, credit rating of debt securities or its issuers may be further downgraded, which may adversely affect the value of the Sub-Fund. There may also be difficulties or delays in enforcing rights against the issuers who will generally be incorporated outside of Hong Kong and therefore not subject to the laws of Hong Kong.

Credit ratings risk
- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the instrument and/or issuer at all times.

Below Investment Grade and unrated securities risk

- The Sub-Fund may invest in debt securities which (or the issuers of which) are rated below Investment Grade or which may not be rated by any rating agency of an international standard. Such instruments are generally subject to a higher degree of volatility and credit risk, a lower degree of liquidity and greater risk of loss of principal and interest than high-rated debt securities, which may result in greater fluctuations in value and, consequently, the net asset value of the Sub-Fund.

Sovereign debt risk
- The Sub-Fund's investments 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.

Valuation risk
- Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.

13. Money market investments risk
- Insofar as the Sub-Fund invests in money market instruments pending investment of the proceeds of subscription or where market or other factors so warrant and shorter-dated financial instruments issued by governments or by corporate issuers within 6 months before the Maturity Date, unitholders should note that such investments are neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. The Sub-Fund does not guarantee a stable net asset value in such circumstances. The performance of the Sub-Fund may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, any existing investments in money market instruments by the Sub-Fund may effectively result in negative yields, which may adversely impact the net asset value of the Sub-Fund. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. Moreover, the holding of units in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. There is no obligation for the Manager to redeem units in the Sub-Fund at their issue price.

14. Emerging market 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/controls, political and economic uncertainties, policy, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

15. Currency and foreign exchange risk

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund or the currency of a particular class of units. Also, a class of units 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 unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

16. Hedging risk

- The Sub-Fund may use derivatives to hedge against risks. Hedging effect may be affected by the Manager's expertise and unanticipated changes in currency, interest rates and market circumstances. The Sub-Fund may also not obtain a perfect correlation between hedging instruments and the portfolio holdings being hedged. There is no guarantee that hedging techniques will fully and effectively achieve their desired result. If hedging is inefficient or ineffective, the Sub-Fund's net asset value may be affected.

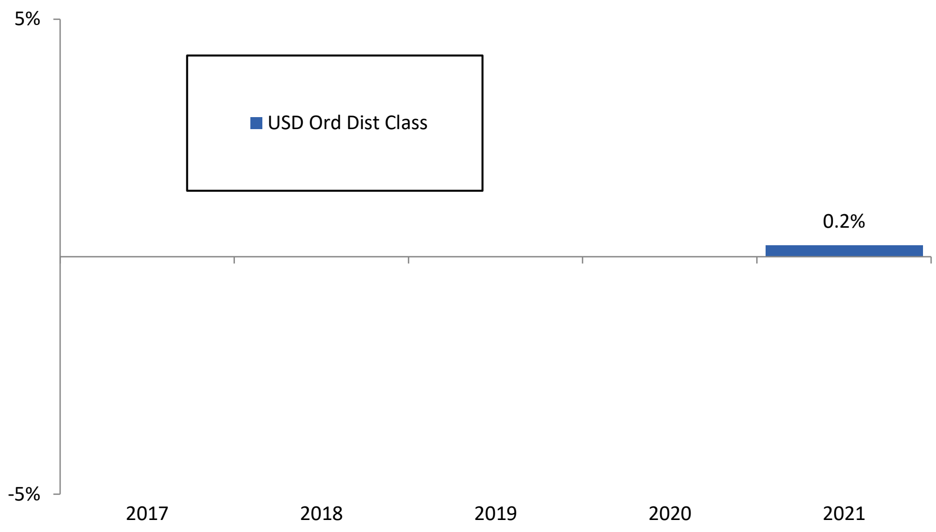
17. Hedged class risk

- Hedging strategies in connection with hedged unit classes may be entered into. There is no guarantee that hedging techniques will fully and effectively achieve their desired result and hedging may become inefficient or ineffective. Investors should also be aware that the hedging strategies may substantially limit the benefits of any potential increase in value of a hedged unit class expressed in the class currency, if the hedged unit class' denominating currency falls against the base currency of the Sub-Fund and/or currencies that are significant to the Sub-Fund's investment policy.
- If the counterparties of the instruments used for hedging purposes default, investors of the hedged unit classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

18. Risks associated with distribution out of the Sub-Fund's capital or effectively out of capital

- Payment of dividends out of capital 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 hedged unit class may be adversely affected by differences in the interest rates of the class currency of the hedged unit class 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 other non-hedged unit classes.

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 dividends reinvested.
- These figures show by how much USD Ord Dist Class 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: 31 March 2020
- Representative class: USD Ord Dist Class (selected as it represents the largest group of unitholding of the Sub-Fund); USD Ord Dist Class launch date: 31 March 2020

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	What you pay
Subscription charge (% of the subscription amount)	Up to 5%#
Redemption charge (% of the redemption amount)	Up to 3%#
Switching fee (% of the total amount being converted)	Not applicable, as switching is not permitted

Please note that investors may also be subject to upward swing pricing adjustments when they subscribe for units in the Sub-Fund when the Manager decides to re-open a particular class or classes of units of the Sub-Fund to subsequent subscriptions after the Initial Offer Period, and downward swing pricing adjustments when they redeem from the Sub-Fund after the Sub-Fund's inception (including during the re-opened period(s) (if

any)). The swing pricing adjustments will not exceed 2% of the Sub-Fund's original net asset value per unit. During the re-opened period(s) (if any), when there are aggregate net subscriptions, in addition to the subscription charge, subscribing investors may also be subject to upward swing pricing adjustments. As a result, subscribing investors may be subject to an aggregate charge of up to approximately 7% of the subscription amount in this scenario. Moreover, after the Initial Offer Period, when there are aggregate net redemptions, in addition to the redemption charge, redeeming investors may also be subject to downward swing pricing adjustments. As a result, redeeming investors may be subject to an aggregate charge of up to approximately 5% of the redemption amount in this scenario. For the avoidance of doubt, no swing pricing adjustment will apply during the Initial Offer Period and no redemption charge or downward swing pricing adjustment will apply to compulsory redemptions at the Maturity Date. For further details, please refer to "Adjustment of Prices" under the section "VALUATION AND SUSPENSION" in the Explanatory Memorandum.

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^	Ord Classes: 0.40% p.a. (maximum level at 2% p.a.)
Trustee fees (including fees of Registrar's Agent) ^	Up to 0.07% p.a., subject to a minimum monthly fee of USD2,500 (maximum level at 1.5% p.a.) The Trustee is also entitled to a fixed annual fee of USD2,500.
Performance Fee	Not applicable

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.

^ The current annual rate may be increased up to the specified permitted maximum level as set out above and in the Explanatory Memorandum by giving not less than one month's prior notice to the investors.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value (NAV) after the authorised distributor or the Manager has received your request in good order on or before 5:00p.m. (Hong Kong time) being the dealing cut-off time. The authorised distributor may impose different dealing deadlines for receiving instructions for subscriptions and redemption. Investor should pay attention to the arrangements of the authorised distributor concerned.

- The net asset value of this Sub-Fund is calculated and the price of units published each "business day". They are available online at the Manager's website: www.newcapitalfunds.com. Please note that this website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

- Compositions of the distributions (if any) (i.e. the relative amounts/percentages paid out of (i) net distributable income; and (ii) capital) for the last 12 months are available by the Manager on request and also at the Manager's website: www.newcapitalfunds.com. Please note that this website has not been reviewed by the SFC and may contain information of funds not authorised by the SFC.

- Investors may obtain information on the past performance of the remaining unit classes offered from the Manager's website: www.newcapitalfunds.com. Please note that this website has not been reviewed by the SFC and may contain information of funds not authorised 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.