

PRODUCT KEY FACTS



New Capital Hong Kong Unit Trust Series - New Capital Asia Future Leaders Fund

April 2022

EFG Asset Management (HK) Limited

- ***This statement provides you with key information about New Capital Asia Future Leaders Fund (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
Trustee:	HSBC Institutional Trust Services (Asia) Limited
Ongoing charges over a year:	HKD Ord Dist Class – 2.45% ¹ HKD Ord Acc Class – 2.45% ¹ USD Ord Dist Class – 2.45% ¹ USD Ord Acc Class – 2.45% ¹ AUD Hedged Ord Acc Class – 2.45% ² CAD Hedged Ord Acc Class – 2.45% ² NZD Hedged Ord Acc Class – 2.45% ² GBP Hedged Ord Acc Class – 2.45% ² SGD Hedged Ord Acc Class – 2.45% ² RMB Hedged Ord Dist Class – 2.45% ¹
Dealing frequency:	Daily, each day (other than a Saturday or Sunday) on which banks in Hong Kong are open for normal banking business
Base currency:	USD
Dividend policy:	<p><u>HKD Ord Dist Class, USD Ord Dist Class and RMB Hedged Ord Dist Class:</u> Currently on a monthly basis, subject to the Manager's discretion. Distributions may, at the Manager's discretion, be paid out of the capital of the Sub-Fund, which will result in an immediate reduction of net asset value per unit.</p> <p><u>HKD Ord Acc Class, USD Ord Acc Class, AUD Hedged Ord Acc Class, CAD Hedged Ord Acc Class, NZD Hedged Ord Acc Class, GBP Hedged Ord Acc Class, SGD Hedged Ord Acc Class</u> No distribution will be declared or distributed</p>
Financial year end of the Sub-Fund:	30 June
Minimum investment:	HKD Ord Dist Class and HKD Ord Acc Class – HK\$50,000 initial, HK\$10,000 subsequent USD Ord Dist Class and USD Ord Acc Class – US\$5,000 initial, US\$1,000 subsequent AUD Hedged Ord Acc Class – AUD5,000 initial, AUD1,000 subsequent CAD Hedged Ord Acc Class – CAD5,000 initial, CAD1,000 subsequent NZD Hedged Ord Acc Class – NZD5,000 initial, NZD1,000 subsequent GBP Hedged Ord Acc Class – GBP5,000 initial, GBP1,000 subsequent

SGD Hedged Ord Acc Class – SGD5,000 initial, SGD1,000 subsequent
RMB Hedged Ord Dist Class – RMB50,000 initial, RMB10,000 subsequent

¹ 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.

² As the unit class is newly launched or not yet launched, the ongoing charges figure is an estimate only. The figure is calculated based on the estimated ongoing expenses chargeable to the relevant unit class over a 12-month period expressed as a percentage of the relevant unit class' estimated average net asset value over the same period. These figures may vary from year to year. The actual figures may be different from the estimated figures.

What is this product?

- New Capital Asia Future Leaders Fund 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.

Objective and Investment Policy

Objective

The Sub-Fund seeks to achieve capital appreciation through investment in a portfolio of equity securities.

Policy

In seeking to achieve the Sub-Fund's investment objective, the Sub-Fund will primarily (i.e. at least 90% of its net asset value) invest in equities of companies which either have their registered offices or conduct the majority of their business in Asia. Such securities invested by the Sub-Fund are listed or traded on exchanges worldwide.

The investment strategy is to identify companies, which are considered by the Manager to be market share leaders that are expected to continue as the leaders in future or emerging leaders poised to capitalise on opportunities to expand the market or consolidate the particular industry in which the relevant company operates. Companies which are considered by the Manager to be emerging leader companies are generally those with attractive business plans which indicate that the relevant companies are capable of sustained revenue growth far above the market rate and higher than average return on equity or return on invested capital as business scales. Companies which are considered by the Manager to be market share leader companies are generally more established companies than emerging leader companies (i.e. typically large capitalisation companies) and, in this regard, the strategy seeks growth, profitability, and financial strength that is determined by the Manager to be better than the sector or industry average by virtue of a thorough financial analysis of each company and a comparison of financial metrics to those of other companies in the relevant sector or industry. Investment is made only where there is the highest possible conviction in management as demonstrated through integrity, reputation and a track record of delivering shareholder value which sustain the continuity of the market share leadership in future.

The equity securities invested by the Sub-Fund will include listed stocks, American depository receipts, global depository receipts, etc.

Under exceptional circumstances (such as a prolonged bearish market with market volatilities rising, deteriorating sentiments or rapidly worsening economic fundamentals) and at the Manager's discretion, the Sub-Fund may hold temporarily up to 100% of its net asset value in deposits and money market instruments (such as certificates of deposit and commercial paper).

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

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

- 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. Risks associated with equities

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, issuer-specific factors and the business and social conditions in local and global marketplace.
- Securities exchanges typically 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.

Volatility risk

- High market volatility and potential settlement difficulties in the markets 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.

3. Concentration risk

- The Sub-Fund's investment strategy is to identify companies, which are considered by the Manager to be market share leaders or emerging leaders. Therefore, the Sub-Fund's portfolio may be concentrated in a limited number of holdings.
- The Sub-Fund's investments are concentrated in Asia. 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 Asian market.

4. Emerging market risk

- The Sub-Fund may invest 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, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

5. 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. 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.

6. Risks relating to Renminbi ("RMB")

RMB currency and conversion risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Where the Sub-Fund invests in RMB denominated investments, the value of such investments may be affected favourably or unfavourably depending on the changes in exchange rate between RMB and the base currency of the Sub-Fund. There can be no assurance that RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of investors' investments in the Sub-Fund.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (e.g. HKD) will not depreciate. Any depreciation of

RMB could adversely affect the value of the investor's investment in the Sub-Fund.

- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. The CNH rate may be at a premium or discount to the exchange rate for CNY and there may be significant bid and offer spreads. Any divergence between CNH and CNY may adversely impact the net asset value of the Sub-Fund and thus the investors.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

RMB class(es) related risk

- When calculating the value of the RMB denominated class(es), CNH will be used. The value of the RMB denominated class(es) thus calculated will be subject to fluctuation.
- Non-RMB based (e.g. Hong Kong) investors may have to convert HKD or other currencies into RMB when investing in the RMB denominated class(es). Subsequently, investors may also have to convert the RMB redemption proceeds (received when selling the units) and RMB distributions received (if any) back to HKD or other currencies. During these processes, investors will incur currency conversion costs and may suffer losses in the event that RMB depreciates against HKD or such other currencies upon receipt of the RMB redemption proceeds and/or RMB distributions (if any).
- Since the unit prices of RMB denominated class(es) are denominated in RMB, but the Sub-Fund will not be fully invested in RMB-denominated underlying investments and its base currency is USD, even if the prices of the non-RMB denominated underlying investments and/or value of the base currency rise or remain stable, investors may still incur losses if RMB appreciates against the currencies of the non-RMB denominated underlying investments and/or the base currency more than the increase in the value of the non-RMB denominated underlying investments and/or the base currency. Furthermore, under the scenario where RMB appreciates against the currencies of the non-RMB denominated underlying investments and/or the base currency of the Sub-Fund (i.e. USD), and the value of the non-RMB denominated underlying investments and/or the base currency of the Sub-Fund decreased, the value of investors' investments in RMB denominated class(es) may suffer additional losses.
- For the RMB hedged class(es), the Manager may attempt to hedge the currency exchange risk of RMB against the base currency of the Sub-Fund and/or other currency(ies) of non-RMB-denominated underlying investments of the Sub-Fund. The costs of the hedging transactions will be reflected in the net asset value of the units of the RMB hedged class(es) and therefore, investors of the RMB hedged class(es) will have to bear the associated hedging costs, which may be significant depending on prevailing market conditions. If the counterparties of the instruments used for hedging purpose default, investors of the RMB hedged class(es) may be exposed to RMB currency exchange risk on an unhedged basis and may therefore suffer further losses. There is no guarantee that the hedging strategy will be effective.

7. 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 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.

8. Hedged class risk

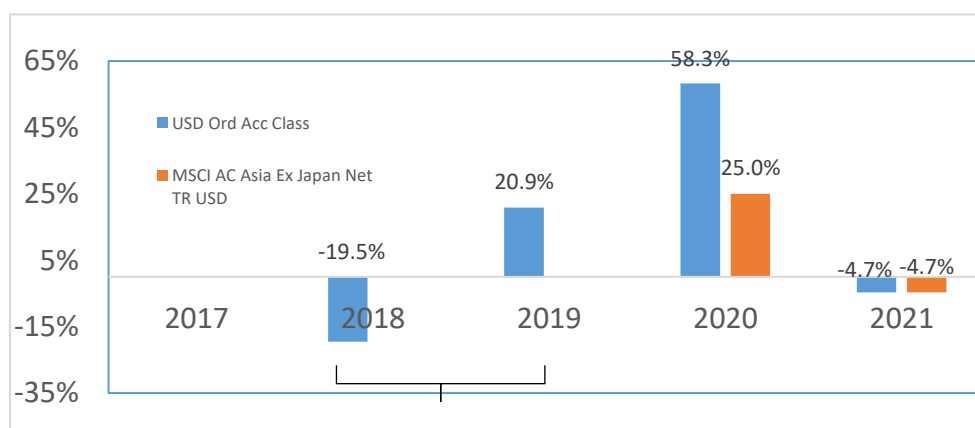
- Hedging strategies in connection with hedged unit classes may be entered into. There is no guarantee that hedging techniques will fully and effectively achieve their desired result and hedging may become inefficient or ineffective. Investors should also be aware that the hedging strategies may substantially 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.

9. Risks associated with distribution out of the Sub-Fund's capital

- Payment of dividends 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?



The performance of these years were achieved under circumstances that no longer apply. The investment policy was changed on 30 December 2019.

- 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 Acc 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.
- With effect from 30 December 2019, the benchmark of the Sub-Fund is MSCI AC Asia ex Japan Net TR USD Index. No past performance of the benchmark is shown prior to the calendar year 2020 as the Sub-Fund did not adopt any performance benchmark prior to 30 December 2019.
- Sub-Fund launch date: 4 December 2017
- Representative class: USD Ord Acc Class (selected as it represents the largest group of unitholding of the Sub-Fund); USD Ord Acc Class launch date: 4 December 2017

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.

<u>Fee</u>	<u>What you pay</u>
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)	Up to 2%

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 [^]	HKD Ord Dist Class, HKD Ord Acc Class, USD Ord Dist Class, USD Ord Acc Class, AUD Hedged Ord Acc Class, CAD Hedged Ord Acc Class, NZD Hedged Ord Acc Class, GBP Hedged Ord Acc Class, SGD Hedged Ord Acc Class, and RMB Hedged Ord Dist Class: 1.5% p.a. (maximum level at 2% p.a.)
Trustee, Registrar and Administration Fee [^]	0.08% p.a., subject to a minimum monthly fee of US\$5,625 (maximum level at 1.5% p.a.)
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, redemption or switching. 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.