

Issuer: Haitong International Investment Managers Limited

- ***This statement provides you with key information about Haitong Middle Kingdom Fund (the “Fund”).***
- ***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:	Haitong International Investment Managers Limited
Trustee:	HSBC Trustee (Cayman) Limited
Dealing frequency:	Daily, on every business day in Hong Kong except Saturday
Base currency:	Hong Kong Dollars (HK\$)
Ongoing charges over a year*:	2.23%
Dividend policy:	No distribution will be made
Financial year end of this Fund:	30 June
Min. investment:	Initial: HK\$5,000 Subsequent: HK\$5,000

* The ongoing charges figure is an annualized figure based on the expenses data for the interim period from 1 July to 31 December 2018. This figure may vary from year to year. The figure is expressed as a percentage of the Fund's average net asset value (“NAV”) of a financial year.

What is this product?

Haitong Middle Kingdom Fund is a unit trust established as a “Regulated Mutual Fund” under the Mutual Funds’ Law of the Cayman Islands and at the same time governed by the laws of Hong Kong.

Objective and Investment Strategy

Objective

Haitong Middle Kingdom Fund aims to achieve capital growth by managing a portfolio of publicly quoted equity or equity-linked securities of companies within the Pacific region whose business relates substantially or in part to the PRC.

Strategy

At least 70% of the Fund's investments will be made in Hong Kong companies or companies listed on The Stock Exchange of Hong Kong Limited, but investment in Taiwan, Singapore, Japan and other countries will be considered if deemed appropriate by the Manager in consideration of factors such as higher expected returns from the markets of those countries or areas, the outperformance of which may benefit the overall profitability

in a certain degree.

The Fund and/or the Manager:

- (a) does not intend to obtain exposure to debt securities issued within mainland China and China A-Shares by using the Qualified Foreign Institutional Investor and Renminbi Qualified Foreign Institutional Investor quotas or China B-Shares;
- (b) does not invest in any derivative instruments (e.g. options, warrants and financial futures contracts) for investment purposes, but may invest in derivative instruments for hedging purposes; and
- (c) does not intend to enter into any securities lending, repurchase or reverse repurchase transactions or similar over-the-counter transactions in respect of the Fund.

Prior approval may be sought from the SFC and at least one month's prior notice will be given to Unitholders if the Fund and/or the Manager intend(s) to make such investment in the future.

What are the key risks?

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

1. Emerging market risk

- The Fund invests in Asia including in countries that are emerging markets. The securities markets of some emerging countries are more volatile than developed markets and may, in some circumstances lead to a potential lack of liquidity. Furthermore, investment in emerging markets may be subject to risks such as market suspension, control on repatriation capital, exchange controls and other government developments that may adversely affect the economies of emerging markets. Investments in emerging markets may also be affected by changes in political, social or economic development in the region, which may adversely affect the value of the Fund's investments.

2. Foreign currency risk

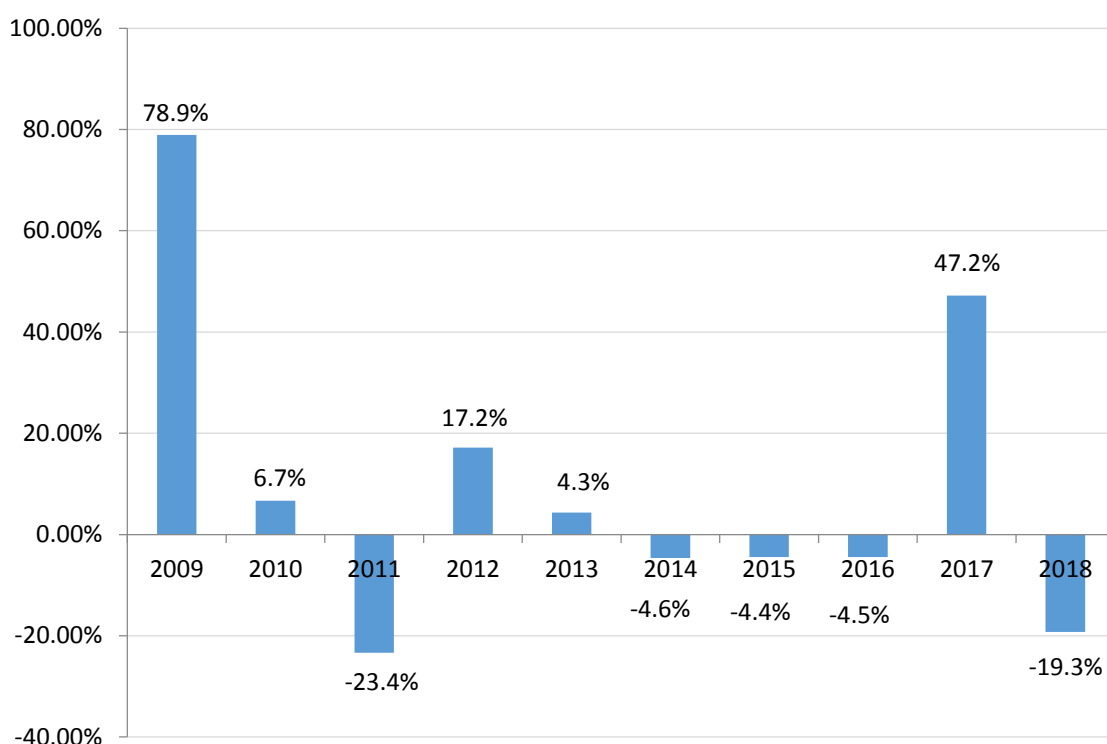
- The Fund will hold investments denominated in currencies different from the base currency of the Fund, meaning the Fund will be at risk to adverse movements in the foreign currency rates between the currencies in which the investments are held and the base currency of the Fund. Adverse movements in the foreign currency rates may adversely impact on the value of the Fund.

3. Equity market risk

- The risks associated with investments in equity securities may be higher than those investing in debt securities because the investment performance of equity securities depends on factors that are difficult to predict. Such factors include the possibility of sudden or prolonged market declines and risks associated with individual companies, which may have an adverse impact on the value of the Fund's investments.
- The instruments invested by the Fund may fall in value and therefore your

investment in the Fund may suffer losses.

How has the Fund performed?



- The bar chart above provides the past performance information of the Fund.
- The past performance information is not indicative of future performance. Unitholders 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 dividend reinvested.
- These figures show by how much the Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HK\$ including ongoing charges and excluding subscription fee (initial charge), redemption fee and switching fee you might have to pay.
- Launch date of the Fund: May 1989
- Investors may obtain the past performance information of the Fund at www.htisec.com/asm¹.

Is there any guarantee?

The 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 Fund.

<u>Fee</u>	<u>What you pay</u>
Subscription fee (Initial Charge)	Up to 5% of the subscription amount
Switching fee	Not applicable
Redemption fee (Redemption Charge)	Nil

Ongoing fees payable by the Fund

The following fees will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Fund's NAV)
Management Fee	1.75% p.a.*
Trustee Fee	0.3% p.a., currently subject to a minimum of HK\$125,000 p.a.*
Performance Fee	Nil
Administration Fee	Nil

Other fees

You may have to pay other fees and charges when dealing in the units of the Fund.

* You should note that such fees may be increased, up to a specified permitted maximum level, by giving the relevant unitholders at least 3 months' prior notice. For details, please refer to the section headed "Charges and Expenses" in the Explanatory Memorandum.

Additional Information

- You generally subscribe and redeem units at the Fund's next-determined NAV after the Manager receives your request in good order on or before 3:00p.m. (Hong Kong time) being the dealing cut-off time. Please check with your distributor for distributor's internal dealing cut off time as your distributor may impose different dealing deadlines for receiving your requests.
- The NAV of this Fund is calculated and the price of units published on each business day on the Manager's website at www.htisec.com/asm¹.
- Investors may obtain relevant information (including ongoing charges and past performance information) on the Manager's website at www.htisec.com/asm¹.

¹ 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.