PRODUCT KEY FACTS

Alquity SICAV (the "Fund")
Alquity Asia Fund (the "Sub-Fund")

Investment Manager:
Alquity Investment Management Limited **May 2018**

- ***This statement provides you with key information about the Sub-Fund.***
- ***This statement is a part of the offering document of the Sub-Fund and must be read in conjunction with it.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Management Company:	Lemanik Asset Management S.A.
Investment Manager:	Alquity Investment Management Limited (in the United Kingdom, external delegation)
Depositary:	RBC Investor Services Bank S.A.
Ongoing Charges over a year#:	Class A Shares (USD) 3.11%* (including performance fees) 3.00%* (excluding performance fees)
Dealing frequency:	Every Hong Kong Bank Business Day (i.e. a day other than a Saturday or Sunday on which banks in Hong Kong are open for normal banking business)
Base currency:	USD
Dividend policy:	Currently no intention to distribute
Financial year end of the Fund:	30 June
Minimum initial subscription:	USD2,000 (or the equivalent in HKD)
Minimum subsequent subscription:	USD1,000 (or the equivalent in HKD)

The ongoing charges figure is expressed as an annualized percentage of the ongoing expenses over the average net asset value of the share class for the corresponding period as may be stated below. This figure may vary from year to year.

* With effect from 19 November 2017, the levying of Ongoing Charges (as defined in the prospectus of the Fund) for this share class is subject to the stated flat rate as a percentage of the average net asset value of this share class, regardless of the actual Ongoing Charges incurred. Further information relating to this flat rate (Flat TER) is set forth in the "Ongoing fees and payable by the Sub-Fund" section below, the section headed "Ongoing Charges" in Section VI of the prospectus, and section 6.2 of the Supplement for Hong Kong Investors. During the year ended 31 December 2017, a performance fee was earned by this share class.

What is this product?

Alquity Asia Fund is a Sub-Fund of Alquity SICAV which is an open-ended investment company incorporated in Luxembourg. Its home regulator is the Commission de Surveillance du Secteur Financier ("**CSSF**").

Objectives and Investment Strategy

Objectives

To provide long term capital appreciation by investing in the regulated stock markets of countries in Asia (the "**Asian Region**").

Strategy

The Sub-Fund will invest at least two-thirds (2/3) of its net assets in:

(i) equity securities listed on the regulated stock markets of the Asian Region;

(ii) equity securities listed on the regulated stock markets outside the Asian Region whose issuers either have more than 50% of their assets, or have realized more than 50% of their revenue, net income and/or operating profit in the Asian Region.

The remainder of the Sub-Fund's assets may be invested in (a) fixed income securities (such as bonds) listed on regulated stock markets whose issuers have their principal office in the Asian Region (subject to a maximum of 20% of its net assets); (b) other transferable securities listed on regulated stock markets (including up to 15% of its net assets in real estate investment trusts) and units of other collective investment schemes (subject to a maximum of 10% of its net assets) listed on regulated stock markets which will have a direct or indirect exposure to the Asian Region; and (c) money market instruments and time deposits.

The Sub-Fund may invest up to 50 % of its net assets in China A Shares via Stock Connect. The Sub-Fund will not invest, directly or indirectly in China B Shares.

The Sub-Fund may temporarily, on an ancillary basis, hold cash and cash equivalents and, under exceptional circumstances (e.g. the global financial crisis of 2008 or Asian financial crisis of 1998), the Sub-Fund may also be invested up to 100% in cash and cash equivalents.

The Sub-Fund will, overall, invest (directly or indirectly), at least 70% of its net assets in companies that will benefit from the long-term growth opportunities in the Asian Region, which includes investing in small, mid-cap and large-cap companies where the Investment Manager identifies unrecognized investment opportunities.

Within the limits set forth and as described under Appendix II. of the Prospectus, the Sub-Fund may use financial techniques and instruments such as call and put options and financial futures (both index and OTC) for efficient portfolio management or to attempt to hedge or reduce the overall risk of its investments. For so long as the Sub-Fund remains authorised for public offering in Hong Kong, the Sub-Fund will not use financial derivative instruments primarily or extensively for investment purposes without the prior approval of the SFC and at least one month's prior notice to investors.

The Sub-Fund will not engage in securities lending or enter into repurchase agreements.

The Sub-Fund will not invest in debt securities issued and/or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) with a credit rating below investment grade, including unrated sovereign issuers. It will also not invest in asset-backed securities or mortgaged-backed securities.

The investment process of the Sub-Fund encompasses the consideration of environmental, social and governance (ESG) factors.

What are the key risks?

Investment involves risks. Please refer to the offering documents for details including the risk factors.

1. Investing in equity securities

The fundamental risk associated with any equity portfolio is the risk that the value of the investments it holds might decrease in value. Equity security values may fluctuate in response to the activities of an individual company or in response to general market and/or economic conditions. The value of, and income derived from, equity securities held may fluctuate and the Sub-Fund may not recoup the original amount invested in such securities. The prices of and the income generated by equity securities may decline in response to certain events, including the activities and results of the issuer, general economic and market conditions, regional or global economic instability and currency and interest rate fluctuations, this may have an adverse impact on the NAV of the Sub-Fund.

2. Cost of doing business in the Asian Region / Regional risk

Investments in the Asian Region may result in higher costs for the Sub-Fund due to various other risks (e.g. geographic risk, regional/political risk, local currency risk) applicable to the Sub-Fund. Doing business in the Asian region may result in very high sub-custody and trading costs and higher costs. This may have an adverse impact on the NAV of the Sub-Fund.

The performance of the Sub-Fund may be affected by economic downturns, political instability, regulatory, political, social change or natural disasters and other factors affecting the Asian Region as a whole, and/or specific countries in the Asian Region. During times of market uncertainty, investments in such securities may negatively affect the Sub-Fund’s performance.

3. Mainland China investment risk

Investing in the securities markets in Mainland China is subject to the risks of investing in emerging markets generally as well as to specific risks relating to the Mainland China market. Investing in Mainland China-related companies involves certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, foreign exchange, liquidity and regulatory risk.

4. Mainland China tax risk:

The Sub-Fund's investments in China A Shares may be subject to PRC taxes. The Investment Manager of the Sub-Fund does not currently make any tax provision in respect of any potential PRC tax; however, the Investment Manager reserves the right to do so when it thinks appropriate. In addition, investments in China A shares through Stock Connect would be exempt from PRC corporate income tax and value-added tax on gains on disposal of the China A shares. The tax laws, regulations and practice in Mainland China are constantly changing, and they may be changed with retrospective effect. In this connection, the Sub-Fund may be subject to additional taxation that is not anticipated as at the date hereof or when the relevant investments are made, valued or disposed of. The income from and/or the value of the relevant investments in the Sub-Fund may be reduced by any of those changes.

5. Investment via Stock Connect

Stock Connect is a new programme and there is no certainty as to how the relevant regulations will be applied. The current Stock Connect regulations are subject to change. A stock may be recalled from the scope of eligible Shanghai Stock Exchange ("**SSE**") shares or Shenzhen Stock Exchange ("**SZSE**") shares, as the case may be, for trading via Stock Connect, and in such event the stock can only be sold and is restricted from being bought by the Sub-Fund. During the settlement process for SSE shares and SZSE shares, such shares are held by Hong Kong Securities Clearing Company as nominee on behalf of the executing brokers. The Sub-Fund will have only a beneficial interest in the shares and there may be uncertainty surround such nominee arrangement. The Sub-Fund would also be exposed to the counterparty risk with respect to China Securities Depository and Clearing Corporation Limited. Under extreme market conditions, Stock Connect may be available only on a limited basis, and may be suspended by the PRC and Hong Kong regulators, in which case the Sub-Fund's ability to invest in China A Shares through Stock Connect will be adversely affected. Each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is subject to a daily quota measuring total trading volume via the relevant Stock Connect. Trading in SSE shares or SZSE shares and carrying out corporate actions in respect of such shares held by the Sub-Fund are subject to local regulations, rules and practice. The risks and restrictions associated with investments via Stock Connect may affect the Investment Manager’s ability to implement the Sub-Fund’s investment strategy.

In addition, when the Sub-Fund invests in China A Shares listed on the Small and Medium Enterprise Board and/or ChiNext Board of the SZSE, such investment are subject to greater volatility in prices and have unstable level of liquidity. Shares of such companies may be overvalued and such exceptionally high valuation may not be sustainable. Such investments may result in significant losses for the Sub-Fund.

6. Investment in small and medium capitalized companies

Securities of companies with smaller and medium market capitalizations tend to be more volatile and less liquid than larger company stocks. Limited financial resources, a lower degree of expertise and liquidity in their securities, limits as regard to product range, markets or financial resources, a greater sensitivity to changes in general economic conditions and interest rates, and uncertainty over future growth prospects may all contribute to such increased price volatility and risks. Smaller and medium companies may have no or relatively short operating histories, or be newly public companies, thus may be unable to generate new funds for growth and development, may lack depth in management, and may be developing products in new and uncertain markets, all of which are risks to consider when investing in such companies and which may have an adverse impact on the NAV of the Sub-Fund. The Sub-Fund's investments in China A Shares listed on the Small and Medium Enterprise Board and/or ChiNext Board of the SZSE are also subject to this risk.

7. Local currency risk

Investments in emerging markets carry a high degree of risk which may cause the value of the Sub-Fund's investments to diminish as the shares of the companies in which it invests are likely to be denominated in a currency that is subject to greater fluctuation and loss of value when compared to its shares which are denominated in USD. Such currency may also be more affected by exchange control regulations or changes in the exchange rates. The Sub-Fund does not intend to hedge its local currency exposure, although may do depending on prevailing economic circumstances within countries of the region. There is no requirement that the Sub-Fund seeks to hedge or to protect against currency exchange risk in connection with any transaction. This may have an adverse impact on the NAV of the Sub-Fund.

8. Liquidity risk

Daily trading volume on markets in the region in which the Sub-Fund invests, (i.e. the Asian Region) and for small and mid-cap stocks generally, may fluctuate and persist at low levels, which may result in a higher cost of entering and exiting such investments, particularly at times of market and/or economic volatility, and may result in a diminishment of the value of the Sub-Fund's investment. Some of the Sub-Fund's investments (such as investments in small and mid-cap companies) may be subject to higher liquidity risk. Lower liquidity may arise from a low trading volume of securities, or if trading restrictions or temporary suspensions on trading are imposed. Investment in securities that have lower liquidity may reduce returns for or result in substantial losses to the Sub-Fund if it is unable to sell such securities at the desirable time or price.

9. Investments in debt securities

Debt securities, such as notes and bonds are subject to the risk of an issuer's ability to meet principal and interest payments on the obligation, and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity (liquidity risk).

An investment in fixed-income securities may be interest rate sensitive. An increase in interest rates will generally reduce the value of fixed-income securities, whilst a decline in interest rates will generally increase the value of fixed-income securities. The performance of a sub-fund will therefore partly depend on the ability to anticipate and respond to market interest rate fluctuations, and to utilise appropriate strategies to maximise returns, whilst attempting to minimise credit and liquidity risks to investment capital.

An issuer of an instrument may be unable to make interest payments or repay principal when due. Decrease in the financial strength of an issuer or decrease in the credit rating of a security may adversely affect its value. Fixed income securities are also exposed to the risk that their, or their issuers', credit ratings may be downgraded, which can cause a significant drop in the value of such securities.

The above features may adversely impact a sub-fund.

10. Real estate securities risk

Real estate values fluctuate in response to a variety of factors, including local and global economic conditions, interest rates and tax considerations. When economic growth is slow, demand for property decreases and prices may decline. A REIT's performance depends on the types and locations of the properties it owns and on how well it manages those properties, it also depends on various reasons including but not limited to competition from other properties, extended vacancies, policy and regulatory changes. Since REITs typically are invested in a limited number of projects or in a particular market segment, they are more susceptible to adverse developments affecting a single project or market segment than more broadly diversified investments. The underlying REITs may not necessarily be authorized by the SFC and the dividend policy or payout policy of the Sub-Fund is not representative of the dividend policy or payout policy of the underlying REITs. This may have an adverse impact on the NAV of the Sub-Fund.

11. Derivatives risk

The use of derivatives presents risks different from, and possibly greater than, the risks associated with investing directly in traditional securities (e.g. counterparty risks, valuation risks and volatility risks). The use of derivatives and currency hedging strategies may be ineffective and can lead to substantial losses because of adverse movements in the price or value of the underlying asset, index or rate, which may be magnified by certain features of the derivatives. This may have substantial adverse impact on the NAV of the Sub-Fund.

12. Concentration risk

Concentration risk may arise as the Sub-Fund focuses to invest into the securities of the particular markets (e.g. the Asian Region), regardless of whether the securities are listed on or outside the respective regions. Although the Sub-Fund's portfolio will be well diversified in terms of the number of holdings, the Sub-Fund is likely to be more volatile than a broad-based sub-fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in its respective region or asset class.

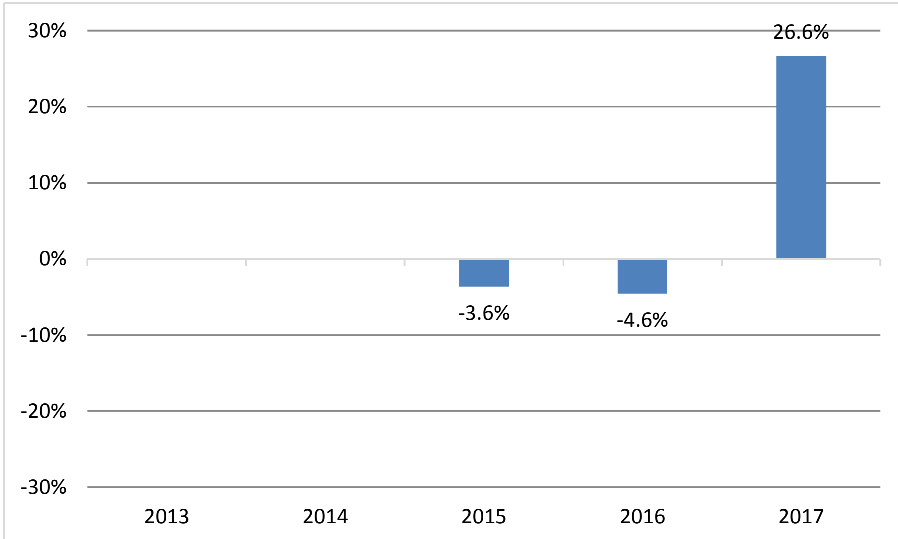
13. Investment risk

The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal. The instruments invested by the Sub-Fund may fall in value.

14. Performance fee risk

The method of calculating performance fee gives rise to the risk that a shareholder redeeming shares may still incur performance fee in respect of the shares, even though a loss in investment capital has been suffered by the redeeming shareholder. There is also a risk of adverse impact on the shareholders in the absence of equalization calculation or series accounting to make adjustment on each share individually. Risk also arises that the Investment Manager may be inclined to make riskier investment than in the absence of performance-based incentive and the performance fee may be paid on unrealized gains which may subsequently never be realized.

How has the fund performed?



The performance of these years were achieved under circumstances that no longer apply, as the investment policy was changed since May 2018.

- 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 Class A Shares 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.
- Fund launch date: 28 March 2014
- Representative share class: Class A Shares (selected as this is the only share class available to the public in Hong Kong)
- Class A Shares launch date: 25 April 2014

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

Please note that Class A Shares will be offered to the public in Hong Kong. You may have to pay the following fees when dealing in the Class A Shares of the Sub-Fund.

Fee	What you pay
Subscription fee	Up to 5%
Switching fee	Nil
Redemption fee	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 (as a % p.a. of the NAV)
Fixed Rate of Ongoing Charges (i.e. "Flat TER" in the prospectus)	3.00% (for Class A Shares (USD)) This flat rate covers all the annual charges and other payments made from the assets of the Sub-Fund, which include, but are not limited to, Management Company fee, investment management fee, Depositary and Paying Agent, Sub-Administrative Agent and Sub-Registrar Agent fee, distribution fee and others. It does not cover taxes, transaction costs on securities transactions or performance fee.
Management Company fee	Included in the Flat TER.
Investment Management fee[1]	Included in the Flat TER.
Depositary and Paying Agent, Sub-Administrative Agent and Sub-Registrar Agent fee[2]	Included in the Flat TER.
Performance fee[1] (payable to the Investment Manager)	15% of any outperformance of the increase in the NAV per share on the last valuation day compared to the High Water Mark (which is set as the initial NAV per share at inception, or if higher, the NAV per share on the last valuation day of the performance period when a performance fee was last paid, subject to a Hurdle Rate (i.e. currently the daily fixing for 1 year USD Libor as per Bloomberg plus 3%)). • The first performance period of a class of shares begins on its launch date (as stated in Appendix III. C of the Prospectus) and ends on the first following 31 December. Thereafter each performance period will correspond from 1 January of each year to 31 December of the same year. • The performance fee will be accrued at each NAV calculation point where the NAV is above the High Water Mark and Hurdle Rate; and paid after the end of each performance period where the Sub-Fund closes above its previous High Water Mark and Hurdle Rate. If a Sub-Fund's NAV rises, then the Administrator will accrue the Performance Fee; if a Sub-Fund's NAV declines, then the Administrator will

[1] For the relevant classes of shares, the Investment Manager will guarantee a minimum donation of 10% of the net investment management fee and performance fee, via a registered charitable foundation and its associated commercial operations, to fund development projects in the regions in which the Sub-Fund invests. The Investment Manager may at its discretion choose to target donations at a level higher than this minimum depending on the profile of assets under management and the associated fee revenues.

[2] RBC Investor Services Bank S.A. is both the Depositary and the Paying Agent, the Sub-Administrative Agent and the Sub-Registrar Agent.

	release and adjust the accrual downwards. A performance fee is levied when the Sub-Fund's performance is positive and above its last achieved High Water Mark subject to the Hurdle Rate. Please refer to Appendix III of the Prospectus for further details.
Distribution fee	Included in the Flat TER.

<u>Other fees</u>

You may have to pay other fees when dealing in the Sub-Fund.

Additional information

- You generally buy and redeem at the Fund's next-determined NAV after your request is received (in good order) before 5:00 p.m. (Hong Kong time) on the relevant Hong Kong Bank Business Day which falls on a dealing day. Orders placed through distributors may be subject to different procedures from those described above. Investors should consult their distributors before placing any orders.
- The NAV is calculated every bank business day in Luxembourg and published every Hong Kong Bank Business Day at the Fund's website at www.alquity.com. This website has not been reviewed, and is not authorised, by the SFC and may contain information relating to funds and Classes of Shares not authorised by the SFC.

Important

If you are in doubt, you should seek professional advice.

The Securities and Futures Commission takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.