

# **Ninety One Global Strategy Fund (the “Fund”) – Global Franchise Fund (the “Sub-Fund”)**

Issuer: Ninety One Hong Kong Limited

***This statement provides you with key information about the Sub-Fund.***

***This statement is a part of the offering document and must be read in conjunction with the Prospectus.***

***You should not invest in this Sub-Fund based on this statement alone.***

## **Quick facts**

Management Company:	Ninety One Luxembourg S.A.	
Investment Manager:	Ninety One UK Limited (internal delegation, in London)	
Sub-Investment Manager:	Ninety One SA Proprietary Limited (internal delegation, in South Africa) Ninety One North America, Inc. (internal delegation, in New York)	
Depository:	State Street Bank International GmbH, Luxembourg Branch	
Ongoing charges over a year <sup>#</sup> :	A Inc Share Class	1.89%
	A Inc-2 Share Class	1.89%
	A Inc-2 (HKD) Share Class	1.89%
	A Inc-2 IRD (AUD Hedged) Share Class	1.97%
	A Inc-2 IRD (RMB Hedged) Share Class	1.99%
	A Acc Share Class	1.89%
	A Acc (HKD) Share Class	1.89%
	A Acc (EUR) Share Class	1.89%
	A Acc (SGD Hedged) Share Class	1.94%
	A Acc PCHSC (USD Hedged) Share Class	1.90%
	A Acc (CHF Hedged) Share Class	1.99%
	C Inc Share Class	2.89%
	C Acc Share Class	2.89%
	I Acc Share Class	0.95%

<sup>#</sup> The ongoing charges figures are based on the expenses over a 12-month period from 1 January 2023 to 31 December 2023. These figures represent the sum of the ongoing expenses chargeable to the respective share class of the Sub-Fund expressed as a percentage of the average net asset value of the respective share class of the Sub-Fund over the same period. These figures may vary from year to year.

<b>Dealing frequency:</b>	Daily
<b>Base currency:</b>	USD
<b>Dividend policy:</b>	A and C Income Shares – annually; if declared, will be paid or reinvested A Inc-2 Shares* - monthly; if declared, will be paid or reinvested A Inc-2 IRD Shares <sup>#</sup> - monthly; if declared, will be paid or reinvested A, C and I Accumulation Shares – no dividend will be declared

\*The Board of Directors may at its discretion pay dividend out of gross income while charging all or part of the Share Class's fees and expenses to the capital of the Share Class, resulting in an increase in distributable income for the payment of dividends by the Share Class and therefore, the Share Class may effectively pay dividend out of capital. Any distributions involving payment of dividends effectively out of the Share Class's capital may result in an immediate reduction of the net asset value per Share.

<sup>#</sup>Distributions made in relation to IRD Share Classes may include a component of interest rate differential resulting from the currency hedging transactions and such component in the IRD Share Classes' dividend will be considered a distribution from capital or capital gains attributed to the relevant IRD Shares Classes. As such, dividend will be paid out of capital, which may result in an immediate reduction of the net asset value per Share.

The Board of Directors may amend the dividend policy (including any change to dividend payment out of capital) subject to the SFC's prior approval and by giving not less than one month's prior notice to affected shareholders.

<b>Financial year end of the Fund:</b>	31 December
<b>Minimum initial investment:</b>	US\$3,000 or the approximate equivalent in another approved currency (applicable to A and C Shares) US\$1,000,000 or the approximate equivalent in another approved currency (applicable to I Shares)
<b>Minimum subsequent investment:</b>	US\$750 or the approximate equivalent in another approved currency (applicable to A and C Shares) US\$250,000 or the approximate equivalent in another approved currency (applicable to I Shares)

## What is this product?

This is a fund constituted in the form of a mutual fund. It is domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier (CSSF).

## Objectives and Investment Strategy

The Sub-Fund aims to provide capital growth (i.e. to grow the value of your investment) with the opportunity for income over the long-term.

The Sub-Fund invests primarily in equities (e.g. shares of companies) around the world.

The Sub-Fund will be actively managed. The Investment Manager will have full discretion in its choice of companies either by size or industry, or in terms of the geographical make-up of the portfolio.

Investment opportunities are identified using in-depth analysis and research on individual companies. The Sub-Fund will invest at least two-thirds of the net asset value of the Sub-Fund in stocks deemed to be of high quality which are typically associated with global brands (franchises). For the avoidance of doubt, the definition of 'franchises' in this context is interchangeable with the term 'brands'.

The Sub-Fund promotes environmental and social characteristics in line with Article 8 of the SFDR as described in the Sub-Fund's Sustainability Disclosures.

The Sub-Fund will not invest in certain sectors or investments. Details of these excluded areas can be found on the website [www.ninetyone.com/hk](http://www.ninetyone.com/hk) (this website has not been reviewed by the SFC) in the section entitled "Sustainability-related Disclosures" pursuant to the Article 10 of the SFDR. Over time, the Investment Manager may, in its discretion and in accordance with this investment policy, elect to apply additional exclusions to be disclosed on the website, as they are implemented.

The Sub-Fund may also invest less than 30% of its net asset value in other transferable securities, money market instruments, derivatives (financial contracts whose value is linked to the price of an underlying asset), deposits and units or shares in other funds. The Sub-Fund may hold Cash<sup>1</sup> on an ancillary basis.

The Sub-Fund may invest and have direct access to China A Shares, Stock Connect Shares and/or to debt securities issued in Mainland China<sup>2</sup> and related derivatives instruments via Stock Connect<sup>3</sup> and/or the Qualified Foreign Investor ("QFI") licence or the CIBM Direct Access<sup>4</sup> or Bond Connect<sup>5</sup> of up to 5% of its net assets.

The Sub-Fund may use derivatives for the purposes of hedging and/or Efficient Portfolio Management. Derivatives which may be used include, without being exhaustive, exchange traded and over-the-counter futures, options, swaps and forwards. The underlying of a transaction in a derivative may consist of any one or more of transferable securities, indices, foreign exchange rates and currencies.

The Sub-Fund is actively managed. This means the Investment Manager is free to select investments with the aim of achieving the Sub-Fund's objectives. The Sub-Fund uses the MSCI AC World (Net Return) Index for performance comparison. The Sub-Fund does not seek to replicate the index. It will generally hold assets that are components of the index, but not in the same proportions, and it is allowed to hold assets which are not components of the index. The assets of the Sub-Fund therefore may be very different from the index.

The Sub-Fund currently does not intend to enter into any securities lending, repurchase and/or reverse repurchase

<sup>1</sup> For details of the definition of Cash please refer to Section 3 of the Prospectus.

<sup>2</sup> Mainland China means the People's Republic of China (PRC) (excluding Hong Kong, Macau and Taiwan).

<sup>3</sup> Stock Connect means (i) Shanghai-Hong Kong Stock Connect, the mutual market access programme through which investors can deal in select securities listed on the Shanghai Stock Exchange through the Stock Exchange of Hong Kong Limited and clearing house in Hong Kong (Northbound trading); and ii) the Shenzhen-Hong Kong Stock Connect, the mutual market access program through which foreign investors can deal in select securities on the Shenzhen Stock Exchange through the Stock Exchange of Hong Kong Limited and clearing house in Hong Kong (Northbound trading).

<sup>4</sup> CIBM Direct Access means the PRC investment program under which certain foreign institutional investors may invest, without particular license or quota, directly in RMB securities and derivatives dealt on the China Interbank Bond Market via an onshore bond settlement agent, after such bond settlement agent has made the relevant filings and account opening with the relevant PRC authorities, in particular the People's Bank of China.

<sup>5</sup> Bond Connect means the mutual bond market access programme between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre, China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Money markets Unit.

transactions. The prior approval of the SFC will be sought and at least one month's prior notice would be given to shareholders should there be a change in such intention.

## Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of its net asset value.

## What are the key risks?

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

- **Investment risk** – The underlying investments of the Sub-Fund may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. You may not get back the full amount of money you invest. In addition, the Sub-Fund primarily invests in equities or equity-related securities. Generally, equities or equity-related securities are subject to higher volatility and therefore higher risk of loss, compared to other instruments such as bonds, money markets instruments or bank deposits.
- **Concentration risk** – The Sub-Fund invests in a concentrated portfolio of holdings compared to a typical fund with a similar investment mandate and therefore may be more volatile than more broadly diversified funds.
- **Derivatives usage risk** – The Sub-Fund may use derivatives for the purposes of hedging and/or EPM. Investments in derivatives involve additional risks such as leverage risk, counterparty risks, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. In adverse situations, the Sub-Fund's use of derivatives may become ineffective in hedging and/or in EPM and the Sub-Fund may suffer significant losses.
- **Risk of distribution out of capital for Inc-2 Share Class** – The Management Fee, the Management Company Fee, the Administration Servicing Fee, the Distribution Fee (if any), the Custodian's fee and all other expenses attributable to the Share Class will be charged against the capital account of that Share Class. This has the effect of increasing the Share Class's distributions (which may be taxable) whilst reducing its capital to an equivalent extent and therefore the Share Class may effectively pay dividend out of capital. This could constrain future capital and income growth. 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 investment. Any distributions involving payment of dividends effectively out of the Share Class's capital may result in an immediate reduction of the net asset value per Share.

The distribution amount and net asset value of the currency hedged share class may be adversely affected by differences in the interest rates of the reference currency of the currency hedged share 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 share classes.

- **Risk associated with IRD Share Classes** – IRD Share Classes give priority to dividends, rather than capital growth, and will typically distribute more than the income received by the relevant Sub-Fund. As such, dividends will typically be paid out of capital, which may result in greater **erosion of the capital invested** than other share classes. Furthermore, uncertainties in interest rate and foreign exchange rate movements could adversely affect the return of IRD Share Classes. The net asset value of IRD Share Classes may fluctuate more than and may significantly differ from other Share Classes due to a more frequent distribution of dividends and the fluctuation of the interest rate differential between the reference currency of the Sub-Fund and the currency denomination of the IRD Share Classes.
- **Currency Hedged Share Class risk** – The Investment Manager will implement a currency hedging strategy to limit the exposure to the currency position of the reference currency of the Sub-Fund and the currency denomination of the relevant Hedged Share Classes. However, there can be no assurance that the currency hedging strategy implemented by the Investment Manager will be successful. Foreign exchange rate fluctuation between the reference currency of the Sub-Fund and the currency denomination of the relevant Hedged Share Classes may result in a decrease in return and/or loss of capital for the shareholders.
- **Portfolio Currency Hedged Share Class ("PCHSC") risk** – the Investment Manager (or its delegate) will use hedging transactions (i.e. actual portfolio currency hedging method) to reduce the impact of exchange rate movements between the currency denomination of the PCHSC and the primary currency exposures in the relevant Sub-Fund's portfolio. However, there can be no assurance that the currency hedging strategies implemented by the Investment Manager (or its delegate) will be successful. Foreign exchange rate fluctuation between the primary currency exposures in the relevant Sub-Fund's portfolio and the currency denomination of the relevant PCHSC may result in a decrease in return and/or loss of capital for the shareholders. There will be extra fees and costs which will accrue only to the shareholders of the PCHSC and that the performance of any PCHSC will diverge from the performance of the equivalent share classes that do not make use of these hedging strategies.
- **Currency conversion risk for Renminbi ("RMB") denominated share classes** – The Sub-Fund offers RMB denominated share class. RMB is not freely convertible and is subject to exchange controls and restrictions. Subscriptions and redemptions for the Sub-Fund may involve a conversion of currency. Currency conversion will be conducted at the applicable exchange rate and subject to the applicable spreads.

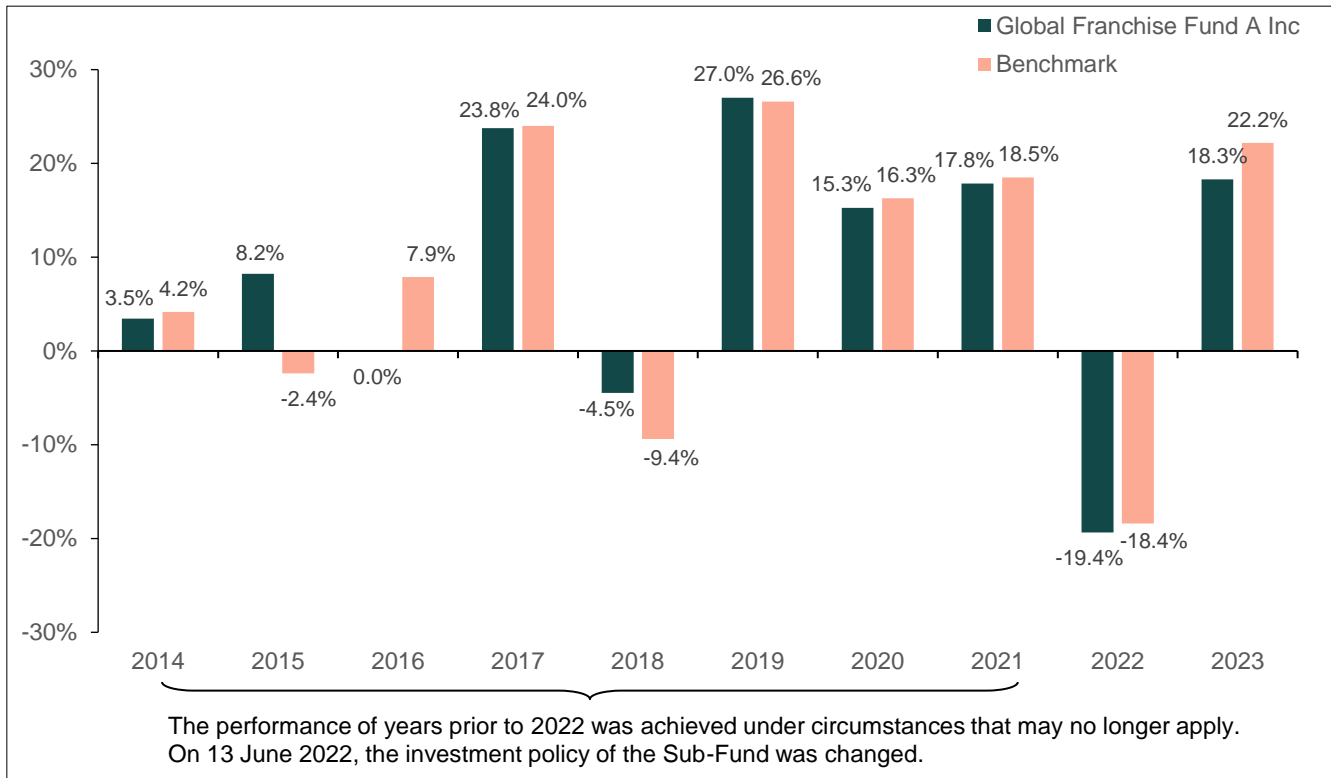
Non-RMB based investors may be exposed to foreign exchange rate risk and the value of RMB may depreciate against the investors' home currency. Any depreciation of RMB could adversely affect the value of investors' investment in the RMB denominated share classes.

Under exceptional circumstances, payment of realisation proceeds and/or dividend payment (if any) in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

RMB is traded in both the onshore and offshore markets. While both onshore RMB (“CNY”) and offshore RMB (“CNH”) represent the same currency, they are traded in separate markets which operate independently. Therefore, CNY and CNH do not necessarily have the same exchange rate and their value in relation to other currencies may not move in the same direction. When converting the base currency of the Sub-Fund to RMB for the purposes of calculating the net asset value of a share class with a RMB reference currency, the Management Company will apply the CNH rate. Any divergence between CNH and CNY may adversely impact investors.

- **Exchange rate fluctuation risk** – Currency fluctuations may adversely affect the value of a Sub-Fund’s investments and the income thereon. Currency fluctuations may also adversely affect the profitability of an underlying company in which a Sub-Fund invests.

## How has the 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 dividend reinvested.
- These figures show by how much the share 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 (if any) you might have to pay.
- The benchmark is MSCI AC World (Net Return) Index.
- Fund launch date: 04 July 2009
- A Inc share class\* launch date: 04 July 2009

\*This Share Class is a representative share class as it is a focus share class made available to Hong Kong investors.

## 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

You may have to pay the following fees when dealing in the shares of the Sub-Fund.

Fee	What you pay
<b>Subscription fee (Initial charge):</b>	A share – 5% of the amount you buy C share – 3% of the amount you buy I share – 5% of the amount you buy
<b>Switching fee:</b>	Nil

<b>Redemption fee:</b>	Nil, except a fee on redemptions of up to 2% of the value of the order for the benefit of the Sub-Fund could be levied if the Board of Directors believes the trading practices of the investors are disruptive or harmful to the Sub-Fund
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#### 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.

	<b>Annual rate (as a % of the Sub-Fund's value)</b>
<b>Management Fee:</b>	A share – 1.50% C share – 2.50% I share – 0.75%
<b>Depository Fee:</b>	A share – Up to 0.05% C share – Up to 0.05% I share – Up to 0.05%
<b>Performance Fee:</b>	Not applicable
<b>Administration Fee (Administration Servicing Fee):</b>	A share – 0.30% C share – 0.30% I share – 0.15%
<b>Distribution Fee:</b>	A share – 0.00% C share – 0.00% I share – 0.00%
<b>Management Company Fee:</b>	A share – 0.01% C share – 0.01% I share – 0.01%

#### Other fees

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

#### Additional information

- You generally buy and redeem shares at the Sub-Fund's next-determined net asset value (NAV) after the Registrar and Transfer Agent via the sub-distributors or intermediaries receives your request in good order on or before 5:00pm Hong Kong time being the dealing cut-off time. However certain sub-distributors or intermediaries may have different dealing cut-off times.
- The net asset value of the Sub-Fund is calculated and the price of shares is published each "business day". The latest Net Asset Value per Share of Classes for the Sub-Fund is available on the website of the Hong Kong Representative [www.ninetyone.com/hk](http://www.ninetyone.com/hk) (the content of which have not been reviewed by the SFC) on each dealing day.
- The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months ("Dividend Composition Information") are available by the Hong Kong Representative on request and also on the website of the Hong Kong Representative [www.ninetyone.com/hk](http://www.ninetyone.com/hk) (the content of which have not been reviewed by the SFC).
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the website of the Hong Kong Representative [www.ninetyone.com/hk](http://www.ninetyone.com/hk) (the content of which have not been reviewed by the SFC).
- Investors may obtain information on the intermediaries by contacting us.

#### 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.