

18 December 2024

- *This statement provides you with key information about this product.*
- *This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of Huatai Global Investment Fund (“Explanatory Memorandum”).*
- *You should not invest in this product based on this statement alone.*

Quick facts

Fund Manager: Huatai Financial Holdings (Hong Kong) Limited (the “**Manager**”)

Trustee: Bank of Communications Trustee Limited

Ongoing charges over a year:

Class A RMB Units: 0.30%^{#*}
 Class B RMB Units: 0.53%^{#*}
 Class I RMB Units: 0.15%^{#*}
 Class I Dist RMB Units: 0.15%^{#*}
 Class S RMB Unit: 0.08%^{#*}

As the Sub-Fund is newly set up, the figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the relevant unit class expressed as a percentage of the estimated average net asset value of the relevant unit class over a 12-month period. The actual figure may be different from this figure and may vary from year to year.

* This figure takes into account a management fee waiver by the Manager during the period from 18 December 2024 to 31 March 2025 (both days inclusive).

Dealing frequency: Daily

Base currency: RMB

Distribution policy: Distribution Class (Class I Dist RMB Units)

Dividends, if any, will be declared on a monthly basis subject to the Manager’s discretion. Distributions may, at the Manager’s discretion, be paid out of the capital or effectively out of the capital of the Sub-Fund. Payment of distributions 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 distribution may result in an immediate reduction of net asset value per unit. Investors should note that a positive distribution yield does not imply a positive or high return.

The Manager may amend the distribution policy subject to the SFC’s prior approval (if required) and by giving not less than one month’s prior notice to investors (if required).

Accumulation Classes (Class A RMB Units, Class B RMB Units, Class I RMB Units and Class S RMB Units)

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No dividends will be declared or distributed.

Financial year-end of the Sub-Fund: 31 December

Minimum investment:

Class	Initial	Additional
Class A RMB	RMB0.01	RMB0.01
Class B RMB	RMB0.01	RMB0.01
Class I RMB	RMB6,000,000	RMB600,000
Class I Dist RMB	RMB60,000,000	RMB600,000
Class S RMB	RMB0.01	RMB0.01

What is this product?

- Huatai RMB Money Market Fund is a sub-fund of Huatai Global Investment Fund, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong.
- **The purchase of a unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. The Sub-Fund does not guarantee repayment of principal and the Manager has no obligation to redeem units at the offer value. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. The Sub-Fund does not have a constant net asset value.**

Objectives and Investment Strategy

Investment Objective

The Sub-Fund's objective is to provide return in line with prevailing money market rates in RMB by primarily investing in short-term deposits and high quality money market instruments denominated in RMB.

Investment Strategy

A. Primary Investment

The Sub-Fund may invest not less than 70% of its net asset value in RMB-denominated and settled short-term deposits and high quality money market instruments issued by governments, corporations, quasi-governments, international organisations and financial institutions.

The Sub-Fund may invest up to 100% of its net asset value in the Mainland China money market instruments or debt securities market through available means, including but not limited to onshore Chinese debt securities traded on the China interbank bond market (“**CIBM**”) and the exchange traded bond market through the qualified foreign investor (“**QFI**”) regime, CIBM direct access regime and/or Bond Connect, or such other means as permitted by the relevant regulatory authorities from time to time. For the avoidance of doubt, the Sub-Fund's investments made via the QFI regime will be less than 70% of its net asset value.

The Sub-Fund may invest up to 30% of its net asset value in non-RMB-denominated short-term deposits and high quality money market instruments.

High quality money market instruments include debt securities, commercial papers, certificates of deposits, short-term notes and commercial bills.

In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instrument must be considered, as follows:

- Credit rating: The Sub-Fund will only invest in (i) debt securities rated investment grade, or (ii) debt securities issued/guaranteed by issuers/guarantors who are rated investment grade. For the purposes of the Sub-Fund,

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“**investment grade**” means a short-term credit rating of A-2 or above by Standard & Poor’s or equivalent rating as rated by one of the international credit rating agencies, or (in the absence of a short-term credit rating only) a long-term credit rating of BBB or above by Standard & Poor’s or equivalent rating as rated by one of the international credit rating agencies.

For the Mainland China onshore debt securities in which the Sub-Fund may invest, “**investment grade**” means a short-term credit rating of A-1 or above as assigned by one of the local rating agencies recognised by the relevant authorities of Mainland China on the instruments, the relevant issuer or the relevant guarantor (if any), or (in the absence of a short-term credit rating only) a long-term credit rating of AA+ or above as assigned by one of the local rating agencies recognised by the relevant authorities of Mainland China on the instruments, the relevant issuer or the relevant guarantor (if any).

For split credit ratings, the highest rating shall apply.

For the avoidance of doubt, the Sub-Fund does not intend to invest in debt securities with a long term to maturity remaining at the time of investment. The long-term credit ratings will only be considered where the Sub-Fund invests in debt securities which have long-term credit ratings only and no short-term credit ratings, but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund as set out below) at the time of purchase by the Sub-Fund.

While the credit ratings provided by the relevant rating agencies serve as a point of reference, the Manager will conduct its own assessment on the credit quality based on various factors, including the issuer’s and/or the guarantor’s (if applicable) financial leverage, interest coverage, operating cash flows, industry outlook and competitive position, as well as corporate governance. The Manager will assess the liquidity profile of instruments based on various factors, included but not limited to time to cash, liquidation horizon, and bid-ask spread of such instruments. Only instruments which fulfil the Manager’s liquidity requirements will be included in the portfolio of the Sub-Fund.

- Weighted average maturity and weighted average life: The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and must not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of government and other public securities.

There is no specific geographical allocation of the country of issue of the high quality money market instruments or short-term deposits. However, investments in any country or region (e.g. China (onshore and offshore markets)) may be concentrated and exceed 30% of the Sub-Fund’s net asset value from time to time, depending on the Manager’s assessment of the market conditions at different times. It is not expected that the Sub-Fund will invest in emerging markets other than China.

B. Ancillary Investments

The Sub-Fund may invest up to 10% of its net asset value in money market funds authorised in Hong Kong by the Securities and Futures Commission of Hong Kong (“**SFC**”) under Chapter 8.2 of the Code on Unit Trusts and Mutual Funds (“**Code**”) or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

The Sub-Fund may also invest less than 30% of its net asset value in short-term and high quality “Dim-Sum” bond (i.e. bonds issued outside of Mainland China but denominated in RMB) and urban investment bonds (i.e. debt instruments issued by the local government financing vehicles (“**LGFVs**”)). These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects.

The Sub-Fund may invest up to 15% of its net asset value in asset backed securities, such as mortgage backed securities. Such asset backed securities are issued in regions including but not limited to onshore China and/or Greater China (referring to offshore China, i.e. Hong Kong, Macau and Taiwan), and are rated investment grade by

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one of the international credit rating agencies.

The aggregate value of the Sub-Fund's holding of instruments and deposits issued by a single entity will not exceed 10% of the total net asset value of the Sub-Fund except:

- (i) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%;
- (ii) in the case of government and other public securities, up to 30% may be invested in the same issue; or
- (iii) in respect of any deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size.

The aggregate value of the Sub-Fund's investment in entities within the same group through instruments and deposits will not exceed 20% of its net asset value provided that:

- (i) the aforesaid limit will not apply in respect of cash deposit of less than USD1,000,000 or its equivalent in the base currency of the Sub-Fund, where the Sub-Fund cannot otherwise diversify as a result of its size; and
- (ii) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity's share capital and non-distributable capital reserves, the limit may be increased to 25%.

The Sub-Fund may borrow up to 10% of its net asset value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The Sub-Fund will not invest in any convertible bonds or instruments with loss absorption features.

The Sub-Fund may enter into sale and repurchase transactions for up to 10% of its net asset value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses, provided that the amount of cash received by the Sub-Fund under sale and repurchase transactions may not in aggregate exceed 10% of its net asset value. The Sub-Fund will not enter into securities lending and reverse repurchase transactions in respect of the Sub-Fund.

The Sub-Fund may use financial derivative instruments (including interest rate swaps and currency swaps) for hedging purposes only.

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 Explanatory Memorandum for details including the risk factors.

1. Investment risk

- The Sub-Fund is an investment fund and not a bank deposit. The Sub-Fund may fall in value due to any of the key risk factors below and therefore investors may suffer losses. There is no guarantee of repayment of capital.

2. Risks associated with debt securities (including money market instruments)

- **Short-term debt securities risk** - The Sub-Fund invests primarily in debt securities with short maturities. This means the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of such securities may increase which in turn may have a negative impact on the net asset value of the Sub-Fund.

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- **Volatility and liquidity risk** - The debt securities in some of the markets in which the Sub-Fund invests may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- **Credit / counterparty risk** - The Sub-Fund is exposed to the credit/insolvency risk of issuers of the debt securities that the Sub-Fund may invest in.
- **Interest rate risk** - Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- **Credit rating risk** - Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the debt security and/or issuer at all times.
- **Credit rating agency risk** – The credit appraisal system in Mainland China and the rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by rating agencies in Mainland China may therefore not be directly comparable with those given by other international rating agencies.
- **Valuation risk** - Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, this may affect the calculation of the net asset value of the Sub-Fund.
- **Downgrade risk** - The credit rating of an issuer or a debt security may subsequently be downgraded due to changes in the financial strength of an issuer. In the event of downgrading in the credit ratings of a debt security or an issuer relating to a debt security, the Sub-Fund's investment value in such security may be adversely affected. The Manager may or may not be able to dispose of the debt securities that are being downgraded.
- **Sovereign debt risk** - Investment in sovereign debt obligations 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.
- **Risk associated with urban investment bonds** - Urban investment bonds are issued by LGFVs, such bonds are typically not guaranteed by local governments in Mainland China or the central government of the People's Republic of China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the net asset value of the Sub-Fund could be adversely affected.

3. Risks associated with bank deposits

- The Sub-Fund will invest in RMB-denominated and non-RMB-denominated short-term deposits, which are subject to the credit risks of the financial institutions that offer and act as counterparties of such deposits. The Sub-Fund may also place deposits in non-resident accounts (NRA), which are onshore deposits treated as offshore deposits with onshore branches of Mainland Chinese banks, and offshore accounts (OSA), which are offshore deposits with offshore account of onshore branches of Mainland Chinese banks. As such deposits may not be protected or fully protected under any deposit protection schemes, a default by the relevant financial institution in respect of the Sub-Fund's holdings in short-term deposits may result in losses to the Sub-Fund.

4. RMB currency and conversion risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.

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- Where the Sub-Fund invests in non-RMB denominated investments, the value of such investments may be affected favourably or unfavourably depending on the changes in exchange rate between these currencies 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.
- 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 have an impact on 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.

5. Mainland China tax risk

- There are risks and uncertainties associated with the current Mainland China tax laws, regulations and practice in respect of the Sub-Fund's investment in Mainland China. It should also be noted that there is a possibility of Mainland China tax rules being changed and taxes being applied retrospectively. Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.
- Based on professional and independent tax advice, the Manager will make provisions from the Sub-Fund's assets for Mainland China withholding income tax ("WIT") at a rate of 10% in respect of the dividend paid by Mainland China tax resident enterprises where such Mainland China WIT has not been withheld at source. Also, based on professional and independent tax advice, the Manager will not make provision for (i) any Mainland China WIT and value-added tax ("VAT") in respect of realised and unrealised capital gain derived from the trading of Mainland China securities; and (ii) any Mainland China WIT and VAT in respect of interest income derived from Mainland China bonds for the period from 7 November 2018 to 31 December 2025.
- In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Sub-Fund's assets, the Sub-Fund's net asset value will be adversely affected. The actual tax liabilities may or may not be lower than the tax provision made. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

6. Risk associated with CIBM, QFI and Bond Connect

- Investing in the CIBM via direct access regime and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.
- The Sub-Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including QFI custodian/broker) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

7. Concentration risk

- The Sub-Fund will invest primarily in RMB-denominated and settled instruments. Investments in any country or region (e.g. China (onshore and offshore markets)) may also be concentrated from time to time depending on the Manager's assessment of the market conditions at different times. The value of the Sub-Fund may

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be more susceptible to adverse political, tax, economic, foreign exchange, liquidity, policy, legal and regulatory risk affecting the RMB money markets and/or the relevant markets in any specific country or region (e.g. China (onshore and offshore markets)). The Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy.

8. Hedging risk

- The Sub-Fund may acquire financial derivatives instruments for hedging and in adverse situations, such hedging may become ineffective and the Sub-Fund may suffer significant losses. The price of a derivative instrument can be very volatile which may result in losses in excess of the amount invested in the derivative instruments by the Sub-Fund. A derivative instrument is subject to the risk that the counterparty of the instrument will not fulfil its obligations to the Sub-Fund, and this may result in losses to the Sub-Fund.

9. Risk associated with distribution out of capital or effectively out of capital

- Payment of distributions 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.

How has the Sub-Fund performed?

As the Sub-Fund is newly established, there is insufficient data to provide a useful indication of past performance to 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 units of the Sub-Fund.

Fee	What you pay
Subscription fee	Up to 1% of the amount subscribed
Switching fee	Up to 1% of the total amount being converted (current level at 0%)
Redemption fee	None

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.

Fee	Annual rate (as a % of the Sub-Fund's net asset value)
Management fee*	Class A RMB Units: up to 1% p.a., currently 0.3% p.a. * Class B RMB Units: up to 1% p.a., currently 0.6% p.a. * Class I RMB Units: up to 0.5% p.a., currently 0.1% p.a. * Class I Dist RMB Units: up to 0.5% p.a., currently 0.1% p.a. * Class S RMB Units: up to 0.5% p.a., currently 0% p.a. * *During the period from 18 December 2024 to 31 March 2025 (both days inclusive), the management fee for Class A, Class B, Class I and Class S Units will be waived.
Trustee fee	0.05% p.a. (subject to a minimum monthly fee of RMB24,500 (or equivalent) after six months from the launch of the Sub-Fund)
Performance fee	Not applicable

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Administration fee	Included in the trustee fee
<p>* You should note that the management fee might be increased up to the specified permitted maximum level by providing not less than one month's prior notice to unitholders.</p> <p>Other fees</p> <p>You may have to pay other fees when dealing in the units of the Sub-Fund.</p>	
<p>Additional Information</p> <ul style="list-style-type: none">• You generally buy and redeem units at the Sub-Fund's next determined net asset value (NAV) after the Processing Agent (i.e., Bank of Communications Trustee Limited) receives your request in good order on or before 11:00 a.m. (Hong Kong time), being the dealing cut-off time. Different distributors may impose different dealing deadlines for receiving requests from investors.• The net asset value is calculated and the price of units is published each business day. Unit prices of the Sub-Fund will be published on https://am.htsc.com.hk/¹.• Composition of the distribution (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: https://am.htsc.com.hk/.	
<p>Important</p> <p>If you are in doubt, you should seek professional advice.</p> <p>The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.</p>	

¹ The website has not been reviewed by the SFC.