

Issuer: ABCI Asset Management Limited

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the sub-fund's Explanatory Memorandum.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	ABCI Asset Management Limited	
Trustee and Registrar:	BOCI-Prudential Trustee Limited	
Custodian:	Bank of China (Hong Kong) Limited	
Ongoing charges#:	Class A (USD, RMB and HKD) Units	0.55%
	Class I (USD, RMB and HKD) Units	0.29%
Dealing frequency:	Daily	
Base currency:	USD	
Dividend policy:	The Manager currently does not intend to make any distribution of dividends in respect of any classes of Units of the Sub-Fund.	
Financial year end of this fund:	31 December	
Minimum initial investment:	Class A (USD) Units:	USD100
	Class A (RMB) Units:	RMB1,000
	Class A (HKD) Units:	HKD1,000
	Class I (USD) Units:	USD1,000
	Class I (RMB) Units:	RMB10,000
	Class I (HKD) Units:	HKD10,000
Minimum subsequent investment:	Class A (USD) Units:	USD100
	Class A (RMB) Units:	RMB1,000
	Class A (HKD) Units:	HKD1,000
	Class I (USD) Units:	USD1,000
	Class I (RMB) Units:	RMB10,000
	Class I (HKD) Units:	HKD10,000
Minimum holding:	Class A (USD) Units:	USD100
	Class A (RMB) Units:	RMB1,000
	Class A (HKD) Units:	HKD1,000

As the Sub-Fund is newly set up, these are best estimate figures based on estimated ongoing expenses chargeable to the respective class of Units of the Sub-Fund expressed as a percentage of the estimated average net assets of the respective class of Units of the Sub-Fund. The actual figures may be different upon actual operation of the Sub-Fund and may vary from year to year.

Minimum redemption amount:	Class I (USD) Units:	USD1,000
	Class I (RMB) Units:	RMB10,000
	Class I (HKD) Units:	HKD10,000
	Class A (USD) Units:	USD100
	Class A (RMB) Units:	RMB1,000
	Class A (HKD) Units:	HKD1,000
	Class I (USD) Units:	USD1,000
	Class I (RMB) Units:	RMB10,000
	Class I (HKD) Units:	HKD10,000

What is this product?

The ABCI US Dollar Money Market Fund (the “**Sub-Fund**”) is a sub-fund of ABCI Investment Funds, an umbrella unit trust established under 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 principal and the Manager has no obligation to redeem the Units at the offer value. The Sub-Fund does not have a constant Net Asset Value (“NAV”). The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority.

Objectives and Investment Strategy

Objective

The investment objective of the Sub-Fund is to invest in short-term deposits and high quality money market instruments. The Sub-Fund seeks to achieve a return in United States dollars (“**USD**”) in line with prevailing money market rates, with primary considerations of both capital security and liquidity.

Strategy

The Sub-Fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its NAV) in USD-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations and financial institutions. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the instrument must be taken into account. High quality money market instruments include high quality debt securities, commercial papers, certificates of deposits and commercial bills. Debt securities invested by the Sub-Fund include but are not limited to government bonds, fixed and floating rate bonds. The Sub-Fund may invest up to 30% of its NAV in non USD-denominated short-term deposits and high quality money market instruments.

Regarding money market instruments, the Sub-Fund will only invest in money market instruments (i) rated investment grade or above; or (ii) (where the money market instruments have no credit rating) issued by issuers which are rated investment grade or above. For the purposes of the Sub-Fund, “investment grade” means (i) a short-term credit rating of A-3 or higher by Standard & Poor’s or F3 or higher by Fitch Ratings or P-3 or higher by Moody’s or equivalent rating as rated by one of the international credit rating agencies; or (ii) (in the absence of a short-term credit rating only) a long-term credit rating of BBB- or above by Fitch Ratings or Standard & Poor’s or Baa3 or above by Moody’s or equivalent rating as rated by one of the international credit rating agencies; or (iii) (in the absence of an international credit rating only) a minimum credit rating of AA+ as rated by one of the credit rating agencies in the PRC. In the case of split credit ratings between different credit rating agencies, the highest rating shall apply.

For the avoidance of doubt, the Sub-Fund does not intend to invest in money market instruments with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the Sub-Fund invests in money market instruments which have long-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.

There is no specific geographical allocation of the country of issue of the Sub-Fund's investments in the high quality money market instruments or short-term deposits. Countries or regions in which the Sub-Fund may invest in include but are not limited to Hong Kong, Singapore, developed markets within the European Union and the United States. The Sub-Fund will not invest in any emerging markets.

The aggregate value of the Sub-Fund's holding of instruments and short-term deposits issued by a single entity will not exceed 10% of the total NAV 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%; or (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, where the Sub-Fund cannot otherwise diversify as a result of its size.

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.

The Sub-Fund may borrow up to 10% of its NAV but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

The Sub-Fund may invest up to 10% of its NAV in money market funds authorised in Hong Kong by the SFC or regulated in other jurisdictions in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

The Sub-Fund may use both exchange-traded and over-the-counter financial derivative instruments ("FDIs"), including, but not limited to, futures, forwards, swaps and options, for hedging purposes only. The Manager will not enter into any securities lending, sale and repurchase / reverse repurchase or similar over-the-counter transactions in respect of the Sub-Fund.

The Sub-Fund will not invest in asset backed securities (including asset backed commercial papers and mortgage backed securities).

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's NAV.

What are the key risks?

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

1. Investment risks

- You should be aware that investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in the Sub-Fund's assets. The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and the Unitholders' investment in the Sub-Fund may suffer losses. Accordingly, there is a risk that you may lose a substantial part or all of your investment. There can be no assurance that the Sub-Fund will achieve its investment objective. There is no guarantee of repayment of principal.

2. Concentration risk

- The Sub-Fund will invest primarily in USD-denominated short-term deposits and high quality money market instruments (which may include debt securities). The Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy.

3. Risks associated with money market instruments

Short-term debt securities instruments / money market instruments risk

- As the Sub-Fund invests significantly in short-term debt securities and money market

instruments with short maturities, the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs may also increase which in turn may have a negative impact on the NAV of the Sub-Fund.

Interest rate risk

- Generally, the value of money market instruments is expected to be inversely correlated with changes in interest rates. Any increase in interest rates may adversely impact the value of the Sub-Fund's portfolio.

Credit risk

- The Sub-Fund's is exposed to the credit risk of issuers of the debt securities it may invest in. In the event of a default or credit rating downgrading of issuers, the Sub-Fund's value will be adversely affected and investors may suffer a substantial loss. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against issuers.

Downgrading risk

- Debt securities may be subject to the risk of being downgraded. In the event of downgrading in the credit rating of an instrument or that of its issuer, the Sub-Fund's investment value in such instrument may be adversely affected and the liquidity of such instruments may deteriorate. The Manager may or may not, and may or may not be able to, dispose of the debt securities that are being downgraded.

Sovereign debt risk

- The Sub-Fund's investment in securities 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.

Credit rating risk

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

Valuation risk

- Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the NAV calculation of the Sub-Fund.

Volatility and liquidity risk

- The money market instruments in certain countries or regions may be subject to higher volatility and lower liquidity. The prices of securities traded in such markets may be subject to fluctuation. The bid and offer spreads of the price of such instruments may be large and the Sub-Fund may incur significant trading costs.

4. Currency risk

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. The NAV of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

5. RMB currency risk and RMB denominated classes risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions and investors may be adversely affected by movements of the exchange rates between RMB and other currencies.
- Currency conversion is also subject to the Sub-Fund's ability to convert the proceeds into RMB (due to exchange controls and restrictions applicable to RMB) which may also affect the Sub-Fund's ability to meet redemption requests from Unitholders in RMB denominated classes of units, and may delay the payment of redemption proceeds under exceptional circumstances.
- Non-RMB based investors who invest in RMB denominated classes are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currency will not depreciate. Any depreciation of RMB could adversely affect the value of

investors' investment in the RMB denominated classes of units.

- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

6. Risks associated with bank deposits

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

7. Risks associated with use of FDIs for hedging purposes

- The Manager may from time to time utilise FDIs for the purpose of hedging only. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk, leverage risk, correlation risk, legal risk, settlement risk and over-the-counter markets risk. The leverage element of an FDI can result in a loss significantly greater than the amount invested in the FDI by the Sub-Fund. Exposure to FDI may lead to a high risk of significant loss by the Sub-Fund. There is also no guarantee that the use of FDIs for hedging purposes will be effective.

How has the fund performed?

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

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.

Fee	What you pay
Subscription fee	A percentage of either the subscription price or the total subscription amount received in relation to an application, as the Manager may at its discretion determine, subject to the limit of 5% of the subscription price
Switching fee (i.e. conversion 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.

Fee	Annual rate (as a % of the Sub-Fund's NAV)
Management fee	Class A (USD, RMB and HKD) Units: 0.30%* Class I (USD, RMB and HKD) Units: 0.05%*
Performance fee	Nil
Trustee fee	Class A (USD, RMB and HKD) Units: up to 0.1%* Class I (USD, RMB and HKD) Units: up to 0.1%* Subject to a minimum monthly fee of USD 4,500
Custodian fee	Class A (USD, RMB and HKD) Units: up to 0.05%*

Class I (USD, RMB and HKD) Units: up to 0.05%*

Other fees

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

* You should note that some fees may be increased, up to a specified permitted maximum, by giving affected Unitholders at least one month's prior notice. For details please refer to the section headed "Expenses and Charges" in the Explanatory Memorandum.

Additional information

- You generally buy and redeem units at the Sub-Fund's NAV which is determined on the dealing day on which your request is received in good order at or before 11:00 am (Hong Kong time), being the Sub-Fund's dealing cut-off time. Before placing your subscription orders or redemption request, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Sub-Fund's dealing cut-off time).
- The Sub-Fund's NAV and the latest subscription and redemption prices of units are available on the Manager's website <http://am.abci.com.hk/funds> (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.