



輝立資本管理(香港)有限公司

PHILLIP CAPITAL MANAGEMENT (HK) LIMITED

PRODUCT KEY FACTS

Phillip Wealth Funds
Phillip HKD Money Market Fund

April 2024

Issuer: Phillip Capital Management (HK) Limited

- ***This statement provides you with key information about this product.***
- ***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:	Phillip Capital Management (HK) Limited
Trustee:	BNP Paribas, acting through its Hong Kong Branch
Ongoing charges over a year:	Class A (HKD): 0.40% # Class A (RMB): 0.40%* Class A (RMB Hedged): 0.40%* Class A (USD): 0.40%* Class A (USD Hedged): 0.40%* Class B (HKD): 0.22% # Class B (RMB): 0.22%* Class B (RMB Hedged): 0.22%* Class B (USD): 0.22%* Class B (USD Hedged): 0.22%*
Dealing frequency:	Daily on each Hong Kong business day (excluding any Saturday)
Base currency:	HKD
Dividend policy:	No dividend is to be declared or paid
Financial year end of this fund:	31 December
Minimum initial investment:	Class A (HKD): HKD10 Class A (RMB): RMB10 Class A (RMB Hedged): RMB10 Class A (USD): USD1 Class A (USD Hedged): USD1 Class B: HKD800,000 Class B (RMB): RMB800,000 Class B (RMB Hedged): RMB800,000 Class B (USD): USD100,000 Class B (USD Hedged): USD100,000
Minimum subsequent investment:	Class A (HKD): HKD10 Class A (RMB): RMB10

Class A (RMB Hedged): RMB10
Class A (USD): USD1
Class A (USD Hedged): USD1
Class B (HKD): HKD100,000
Class B (RMB): RMB100,000
Class B (RMB Hedged): RMB100,000
Class B (USD): USD10,000
Class B (USD Hedged): USD10,000

The ongoing charges figure is based on ongoing expenses chargeable to the relevant class for the 12-month period ended 30 April 2024 expressed as a percentage of the average net asset value ("**NAV**") of the relevant class for the same period. The ongoing charges figure of such class is calculated based on the ongoing expenses for such 12-month period because the ongoing charges figure has varied by more than 5% from that calculated based on the annual report of the Sub-Fund for the year ended 31 December 2023. This figure may vary from year to year. The amortised portion of the set-up costs of the Sub-Fund is included in the calculation of the ongoing figures.

* As the class is not launched yet, this figure is an estimate only and represents the sum of the estimated ongoing expenses chargeable to the class over a 12 month period and expressed as a percentage of the estimated average NAV of the class for the same period. The figure may vary from year to year.

What is this product?

The Phillip HKD Money Market Fund ("**Sub-Fund**") is a sub-fund of Phillip Wealth Funds, which is a unit trust established as an umbrella fund under the laws of Hong Kong.

Investors should note that purchase of a unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. The Sub-Fund does not have a constant NAV. The manager has no obligation to redeem units at the offer value.

Objectives and Investment Strategy

Objective

The Sub-Fund's objective is to invest primarily in HKD-denominated money market instruments, short-term debt securities and short-term deposits, as more fully described and subject to the conditions set forth under "Investment Strategy" below. The Sub-Fund seeks to preserve principal value and to maintain a high degree of liquidity while generating a higher rate of return as compared to personal deposits of the base currency.

Investment Strategy

The Sub-Fund seeks to invest primarily i.e. not less than 70% of its NAV in (i) HKD-denominated money market instruments and short-term debt securities issued by governments, quasi-government organisations, supra-national organisations, multinational organisations, financial institutions and other corporations and (ii) HKD-denominated short-term deposits (the "**HKD-denominated Investments**"). The Sub-Fund may also invest less than 30% of its NAV in (i) non-HKD-denominated short-term bonds, commercial paper, certificates of deposits, commercial bills, Government and other public securities (as defined below) and dim sum bonds (i.e. bonds issued outside of Mainland China but denominated in RMB) and (ii) non-HKD-denominated short-term deposits, which may be subject to currency hedging at the discretion of the manager (the "**non-HKD-denominated Investments**"). The Sub-Fund may utilize financial derivative instruments ("**FDIs**"), including interest rate swaps and currency swaps, for the purpose of hedging only.

The target investment allocation of the Sub-Fund to the HKD-denominated Investments, subject to the conditions set forth below, is 70% (minimum) to 100% (maximum) of the Sub-Fund's NAV. Less than 30% of the Sub-Fund's NAV may be held in the non-HKD-denominated Investments. Under exceptional

circumstances (e.g. market crash or major crisis), the Sub-Fund may temporarily invest up to 100% of the Sub-Fund's NAV in cash or cash equivalents.

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 will not purchase a remaining maturity of more than 397 days, or two years in the case of Government and other Public Securities (i.e. any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies).

Credit rating

For short-term deposits, the Sub-Fund will only place deposits with Eligible Financial Institutions. An "Eligible Financial Institution" is a financial institution which has a minimum short-term rating of F1 by Fitch Ratings Inc. ("**Fitch**"), P-1 by Moody's Investors Service, Inc. ("**Moody's**") or A-1 by Standard and Poor's Financial Services LLC ("**S&P**") (including sub-categories or gradations therein).

All investments in money market instruments and short-term debt securities must be determined by the manager to be of high quality where such instruments or the issuers of such instruments, shall be rated with either a minimum short-term rating of F1 by Fitch, P-1 by Moody's or A-1 by S&P or, where it only has a long-term rating, a minimum rating of A by Fitch, A2 by Moody's or A by S&P (including such sub-categories or gradations therein), or a credit rating of AA+ or higher from a Mainland Chinese credit rating agency (in the case of a split rating, the highest rating will be considered), or if unrated (including those rated other than by the foregoing three agencies and those that do not have a credit rating), deemed by the manager to be of comparable quality. The manager shall disclose to the trustee its internal policies and procedures relating to the determination of a "comparable quality" (as further described in the Explanatory Memorandum) and shall provide a monthly confirmation to the trustee that such investments meet the manager's internal rating requirements.

The Sub-Fund's approach to managing liquidity and enhancing returns is to diversify across assets types of varying tenure as follows: (i) cash; (ii) bank time deposits or certificates of deposit with a tenure of one year or less; (iii) bonds with a remaining term of 397 days or less; and (iv) Government and other public securities with a term of less than two years.

Subject to the above, 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 NAV of the Sub-Fund except: (i) where the entity is a substantial financial institution (as defined in the Code on Unit Trusts and Mutual Funds issued by the SFC, as amended from time to time (the "**Code**")) and the total amount does not exceed 10% of the entity's share and non-distributable capital, 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 HKD, where the Sub-Fund cannot otherwise diversify as a result of its size.

Notwithstanding Chapters 7.1A and 7.1B of the Code, the aggregate value of the Sub-Fund's investments in entities within the same group through instruments and deposits may not exceed 20% of its total NAV except: (i) in respect of any 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 reserves, the limit may be increased to 25%.

The Sub-Fund will not invest in securities that do not comply with the conditions stated above.

The Manager will not enter into any stock lending, repurchase or reverse-repurchase transactions or similar over-the-counter transactions in respect of the Sub-Fund. If this changes in the future, prior approval of the SFC will be sought and not less than one month's notice will be provided to unitholders before the Sub-Fund and/or the manager enter(s) into any such transaction.

The Sub-Fund may borrow up to 10% of its total NAV but only on a temporary basis for the purpose of

meeting redemption requests or defraying operating expenses.

Use of derivatives / investment in derivatives

The fund's net derivative exposure may be up to 50%.

What are the key risks?

Investment involves risks. Please refer to the offering document for further details on the risk factors.

- **Investment risk**

- The Sub-Fund's investment portfolio may fall in value due to any of the key factors below and therefore your investment in the fund may suffer losses. There is no guarantee of the repayment of principal.

- **Risks associated with fixed income instruments**

Credit risk

- Investment in fixed income instruments is subject to the credit risk of the issuers. Issuers may be unable or unwilling to make timely payments of principal and/or interest or may experience a default or credit rating downgrading, which may adversely affect the value of the Sub-Fund. Changing market conditions or other significant credit events such as credit rating downgrades may also create uncertainties in the Sub-Fund's valuation and subject it to increased liquidity risk. The manager may or may not be able to dispose of the debt securities that are being downgraded in a timely manner.

Interest rate risk

- Investment in the Sub-Fund is subject to interest rate risk. In general, the price of debt securities rises when interest rates fall and the price falls when interest rates rise.

Sovereign debt risks

- The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, 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 debt. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

Liquidity risk

- There is a risk that investments made by the Sub-Fund may become less liquid in response to market developments or adverse investor perceptions. In extreme market situations, the Sub-Fund may have to accept a lower price to sell the investments or may not be able to sell the investments at all. An inability to sell a portfolio position can adversely affect the Sub-Fund's value.

Valuation risk

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

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.

- **Currency risk**

- Underlying investments of the Sub-Fund may be denominated in currencies other than HKD. Also, a class of shares may be designated in a currency other than HKD. The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in exchange rates between HKD and such other currencies.

- **Concentration risk**

- The Sub-Fund's investments are concentrated in HKD-denominated instruments. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong market.

- **Currency hedged unit classes risk**

- The currency hedging process used with currency hedged unit classes may not give a precise hedge and there is no guarantee that hedging will be completely successful. Returns of such unit classes may be significantly different over time than those of unhedged unit classes. Investors in currency hedged unit classes bear the associated costs and may also be exposed to the risks associated with the instruments used in the hedging process.

- **RMB currency and conversion risk**

- The Sub-Fund may invest in securities denominated in RMB and may have RMB hedged class of units. Therefore, it may be subject to RMB currency risks. RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based (e.g. Hong Kong) investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund. 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. Under exceptional circumstances, payment of redemption proceeds in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

- **RMB class(es) risk**

- The Sub-Fund offers unit classes designated in RMB. It should be noted that there may be additional risks involved in investing through RMB over and above those of investing through other currencies. Currency exchange rates can be affected unpredictably by intervention (or failure to intervene) by governments or central banks or by currency controls or political developments, particularly in the PRC. There is also a greater measure of legal uncertainty concerning currency transactions with respect to trades in RMB compared to currencies which have a more established history of being traded internationally.

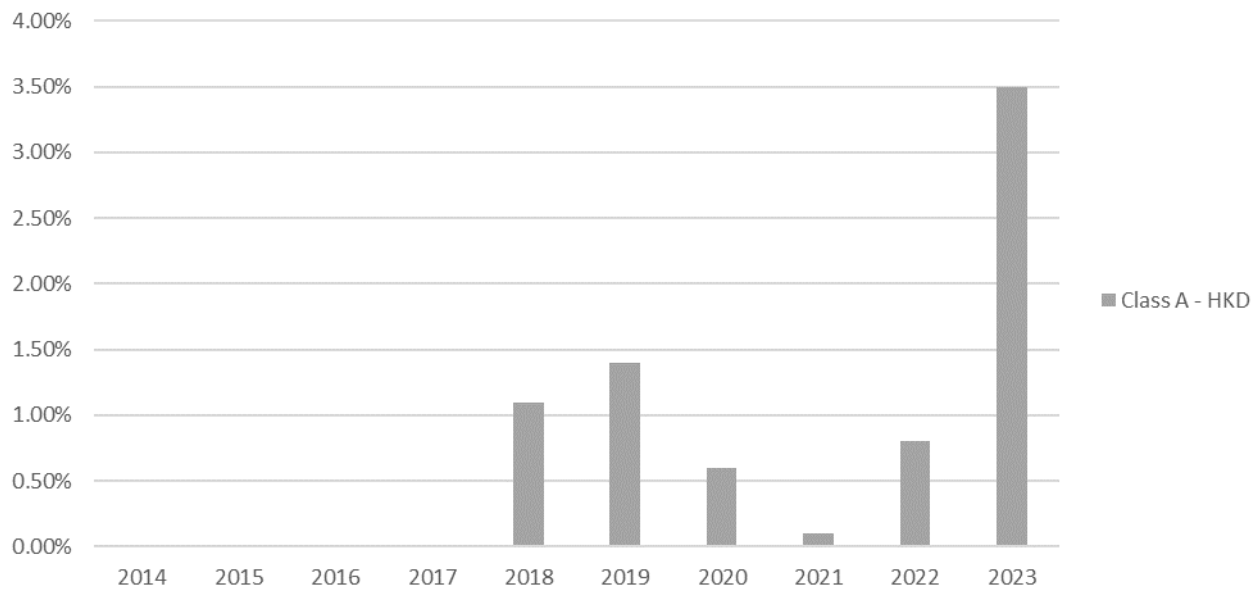
RMB unit classes for the Sub-Fund are denominated in offshore RMB (CNH). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions pursued by the Chinese government from time to time as well as other external market forces.

- In an extreme event, the lack of liquidity could make it impossible to execute the currency hedge. The Manager will seek to implement the hedge and minimize transaction costs on a best efforts basis. However, there can be no guarantee that it will be successful in doing so and cannot eliminate the above risks or transaction costs. The costs and gains/losses of hedging transactions will accrue solely to the relevant hedged class and will be reflected in the NAV per unit of that class.
- When calculating the value of the RMB denominated class(es), CNH will be used. The value of

the RMB denominated class(es) thus calculated will be subject to fluctuation. Non-RMB based (for example Hong Kong) investors may have to convert HKD or other currencies into RMB when investing in the RMB denominated class(es). Subsequently, investors may also have to convert the RMB redemption proceeds (received when selling the units) back to HKD or other currencies. During these processes, investors will incur currency conversion costs and may suffer losses in the event that RMB depreciates against HKD or such other currencies upon receipt of the RMB redemption proceeds.

- For RMB denominated class(es), since the unit prices are denominated in RMB, but the Sub-Fund will not be fully invested in RMB-denominated underlying investments and its base currency is not RMB, so even if the prices of the non-RMB denominated underlying investments and/or value of the base currency rise or remain stable, investors may still incur losses if RMB appreciates against the currencies of the non-RMB denominated underlying investments and/or the base currency more than the increase in the value of the non-RMB denominated underlying investments and/or the base currency.
- Furthermore, under the scenario where RMB appreciates against the currencies of the non-RMB denominated underlying investments and/or the base currency of the Sub-Fund, and the value of the non-RMB denominated underlying investments decreased, the value of investors' investments in RMB denominated class(es) may suffer additional losses.

How has the fund performed?



2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
-	-	-	-	1.1%	1.4%	0.6%	0.1%	0.8%	3.5%

- 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 last valuation day of the calendar year, NAV to NAV, with distributions reinvested.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- When no past performance is shown there was insufficient data available in that year to provide performance.
- Class A (HKD) launch date: 2017
- Class B (HKD) launch date: 2020

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
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Subscription fee	Nil
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.

	Annual rate (as a % of the Sub-Fund's NAV)
Management fee	Up to 0.50%*
Custodian fee	Up to 0.50% as a safekeeping fee; and Up to USD133.00 per transaction as a transaction fee***
Performance fee	Nil
Trustee fee**	Current rate 0.030% (inclusive of fees payable of the Registrar and Transfer Agent)*
Fund accounting fee**	Current rate 0.025%

Other fees

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

* You should note that the current rate of such fees may be increased, up to a specified permitted maximum as disclosed in the explanatory memorandum, 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.

** Subject to a minimum annual fee of USD35,000 in aggregate for the trustee fee and fund accounting fee.

*** The custodian shall charge the Sub-Fund safekeeping fees and transaction fees at different rates depending on the markets where assets of the Sub-Fund are held.

Additional information

- You generally buy and redeem units at the Sub-Fund's next determined NAV, after 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 or redemption orders, 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 NAV of the Sub-Fund is calculated and the price of units is published on each business day. The NAV and price of units are available online at www.phillipfunds.com.hk. This website has not been reviewed by the SFC.
- You may obtain the past performance information of other classes offered to Hong Kong investors at www.phillipfunds.com.hk. 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.