邦德資產管理 FOUNDATION ASSET MANAGEMENT

PRODUCT KEY FACTS

Foundation Fund Series

Foundation Global Income and Growth Fund

Issuer: Foundation Asset Management (HK) Limited **May 2022**

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

Quick facts

Manager:	Foundation Asset Management (HK) Limited
Trustee:	ICBC (Asia) Trustee Company Limited
Custodian:	Industrial and Commercial Bank of China (Asia) Limited
Ongoing charges over a year*:	Class A: 2.23% + Class QD#: 1.48% +
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	USD
Classes available:	Class A USD (Dist), Class A HKD (Dist), Class A USD, Class A HKD, Class QD USD
Dividend policy:	For Class A USD (Dist), Class A HKD (Dist): Subject to the Manager's discretion, dividends will be declared monthly as may be determined by the Manager. There is no guarantee of any distribution nor, where distribution is made, the amount being distributed. Dividends may be paid out of capital or effectively out of capital of the relevant Class at the Manager's discretion, and may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund. For all other classes, it is the current intention of the Manager that distributions will not be made.
Financial year end of this fund:	31 December

Minimum investment:

	Initial	Additional
Class A USD (dist)	USD6,500	USD130
Class A HKD (dist)	HKD50,000	HKD1,000
Class A USD	USD6,500	USD130
Class A HKD	HKD50,000	HKD1,000
Class QD USD	USD10,000,000	USD1,000,000

What is this product?

The Foundation Global Income and Growth Fund (the "Sub-Fund") is a sub-fund of Foundation Fund Series which is a unit trust established by a trust deed dated 20 September 2018 (as amended and restated) as an

* The ongoing charges figure is based on the expenses reported on the latest annual report for the year ended 31 December 2021 .It is calculated by adding all direct fees and indirect fees of the sub-fund. Direct fees refer to charges and payment directly borne by the sub-fund expressed as a percentage of the Sub-Fund's average net asset value over the same period. Indirect fees refer to the ongoing charges of the underlying funds which the Sub-Fund invests, calculated according to the proportion of the Sub-Fund's average net asset value which that underlying funds represent for the relevant period. This figure may vary from year to year. A single ongoing charges figure is published for all Class A Units, which have the same fee structure. Amortized portion of the set-up costs (based on amortization over first 5 accounting periods) and the management fee is included in the ongoing charges figure.

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The ongoing charges figure for these share classes are estimates only as the share class has not been launched, and are based on ongoing charges figure for a reference share class. The actual figures may be different upon actual operation of the share class and the figure may vary from year to year.

umbrella fund under the laws of Hong Kong.

Objectives and Investment Strategy

Objective

The investment objective of the Sub-Fund is to provide income distribution and long term capital growth by investing in global equities and debt securities. There can be no assurance that the Sub-Fund will achieve its investment objective.

Strategy

At least 70% of Sub-Fund's Net Asset Value are invested in a diversified portfolio of global equities and debt securities which in the Manager's opinion offer attractive yields, sustainable dividend payments and/or capital growth.

Up to 70% of Sub-Fund's Net Asset Value may be invested in equities of companies located across the globe. There is no restriction on market capitalisations or industries in relation to the equity securities in which the Sub-Fund may invest. The Sub-Fund may invest no more than 15% of Sub-Fund's Net Asset Value in emerging market equities.

Up to 70% of Sub-Fund's Net Asset Value may be invested in debt securities. Types of debt securities in which the Sub-Fund may invest will include (but are not limited to) government bonds, emerging market government bonds, corporate bonds, convertible and non-convertible debt securities, fixed and floating rate bonds and high-yield bonds. Debt securities in which the Sub-Fund may invest may encompass fixed/floating coupon, may be of different maturities and may be across all ratings. The Sub-Fund may invest up to 30% of its Net Asset Value in debt securities which are rated below investment grade or which are unrated. A long-term debt security is considered investment grade if its credit rating is BBB- or higher by Standard & Poor's and Fitch Ratings or Baa3 or higher by Moody's or equivalent rating as rated by an international credit rating agency. A short-term debt security is considered investment grade if its credit rating is 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 an international credit rating agency. For the purposes of the Sub-Fund, an "unrated" debt security is one where neither the debt security itself nor its issuer has a credit rating. Up to 30% of Sub-Fund's Net Asset Value may be invested in emerging market debt securities. Investments in emerging market debt securities which are rated below investment grade or which are unrated will only be made through investing in other collective investment schemes. The Sub-Fund may invest no more than 10% in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade.

Exposure to debt securities and/or equities may be sought through swaps and collective investment schemes and listed securities in accordance with the requirements of the Code. The Sub-Fund may invest up to 50% of its Net Asset Value in collective investment schemes (not more than 10% of the Net Asset Value of the Sub-Fund may in aggregate consist of shares or units in other collective investment schemes which are non-eligible schemes (as determined by the SFC) and not more than 30% of the Net Asset Value of the Sub-Fund may consist of shares or units in a single underlying scheme which is an eligible schemes (as determined by the SFC) or an SFC-authorised scheme). Investment by the Sub-Fund in exchange traded funds will be considered and treated as listed securities for the purposes of and subject to the requirements under Chapters 7.1, 7.1A and 7.2 of the Code. The Sub-Fund will invest in exchange traded funds that are listed and regularly traded on internationally recognized stock exchanges open to the public (primarily in US, UK and Hong Kong). The collective investment schemes in which the Sub-Fund may invest will generally be income generating. Where the Sub-Fund invests in a collective investment scheme that is managed by the Manager or its Connected Persons, all initial charges and redemption charges on the collective investment scheme must be waived. The Manager or any person acting on behalf of the Manager or the Sub-Fund may not obtain a rebate on any fees or charges levied by the underlying collective investment scheme or its management company, or any quantifiable monetary benefits in connection with investment in any underlying collective investment scheme.

As value of the assets held by the Sub-Fund will fluctuate, the Sub-Fund will conduct periodic rebalancing (at least monthly, and may be more frequent when deemed necessary by the Manager) to restore the Sub-Fund's exposure to investments to the pre-determined targeted level and to ensure compliance with the applicable investment restriction and limitations.

On a temporary basis for liquidity management, defensive purpose and/or any other exceptional circumstances (e.g. market crash or major crisis), and if the Manager considers it to be in the best interest of the Sub-Fund, up to 100% of Sub-Fund's Net Asset Value may be held in deposits and/or invested directly in money market instruments, and up to 10% of Sub-Fund's Net Asset Value may be invested in money market funds.

Non-USD currency exposure is limited to 30% of Sub-Fund's Net Asset Value.

The allocation of the Sub-Fund's investments across asset classes may vary substantially from time to time. The Sub-Fund's investments in each asset class are based upon the Managers' assessment of economic conditions and market factors, including equity price levels, interest rate levels and their anticipated direction. The Sub-Fund may invest in financial derivative instruments ("FDI"), including swaps, for hedging and non-hedging (i.e. investment) purposes.

The Manager will not enter into any repurchase or reverse-repurchase transactions or other similar over-the-counter transactions in respect of the Sub-Fund.

Securities lending transactions

The Manager may, on behalf of the Sub-Fund, enter into securities lending transactions, for less than 30% of the Sub-Fund's Net Asset Value. The Manager will be able to recall the securities lent out at any time.

As part of the securities lending transactions, the Sub-Fund must receive cash and/or non-cash collateral of at least 100% of the value of the securities lent (interests, dividends and other eventual rights included). The collateral will be marked-to-market on a daily basis and be safekept by the Trustee or an agent appointed by the Trustee. Non-cash collateral received may not be sold, re-invested or pledged. Any reinvestment of cash collateral received shall be subject to the requirements as set out in the Code. To the extent the Sub-Fund undertakes securities lending transactions, all revenues (net of direct and indirect expenses as reasonable and normal compensation for the services rendered by the Manager, a securities lending agent and/or other service providers in the context of such transactions to the extent permitted by applicable legal and regulatory requirements) shall be returned to the Sub-Fund.

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

2. Asset allocation strategy risk

- The performance of the Sub-Fund is partially dependent on the success of the asset allocation strategy employed by that Sub-Fund. There is no assurance that the strategy employed by the Sub-Fund will be successful and therefore the investment objective of the Sub-Fund may not be achieved. The investments of the Sub-Fund may be periodically rebalanced and therefore that Sub-Fund may incur greater transaction costs than a Sub-Fund with static allocation strategy.

3. Risk of investing in equity securities

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- The Sub-Fund may invest in small and mid-capitalisation companies. The stocks of such companies

may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

4. Risks associated with debt securities

- Credit/counterparty risk: The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities that it may invest in.
- Interest rate risk: Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Volatility and liquidity risk: The debt securities in certain regions (i.e. emerging markets) 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 offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- Risk associated with debt securities rated below investment grade or unrated: The Sub-Fund may invest in debt securities rated below investment grade or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- Sovereign debt risk: The Sub-Fund's investment in debt instruments 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 and downgrading 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. The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.
- 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 Net Asset Value calculation of the Sub-Fund.

5. Risk associated with investing in other funds

- The underlying fund in which the Sub-Fund may invest may not be regulated by the SFC. There will be additional costs involved when investing into underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made. There can also be no assurance that an underlying fund's investment strategy will be successful or that its investment objective will be achieved.
- Conflicts of interests may arise in a situation where the Sub-Fund invests in other funds managed by the Manager or its connected persons (despite that all initial charges, where the underlying fund is managed by the Manager, will be waived). The Manager will use its best endeavours to avoid and resolve such conflicts fairly.

6. Emerging markets risk

- The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risk, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

7. Foreign exchange risk

- An investment in the Sub-Fund may involve exchange rate risk. The investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund (which is USD). Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. Fluctuations in the exchange rates between such currencies and the base currency as well as associated fees and charges may have an adverse impact on the performance of the Sub-Fund.

8. Derivative risk

- The Sub-Fund may from time to time invest in financial derivative instruments for hedging or non-hedging (i.e. investment) purposes. The use of such derivatives exposes the Sub-Fund to additional risks, including volatility risk, valuation risk, leverage risk, liquidity risk, correlation risk, counterparty/credit risk, legal risk, over-the-counter transaction risk and settlement risk. The leverage element/component of financial derivative instruments can result in a loss significantly greater than the amount invested in such derivatives by the Sub-Fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the Sub-Fund.

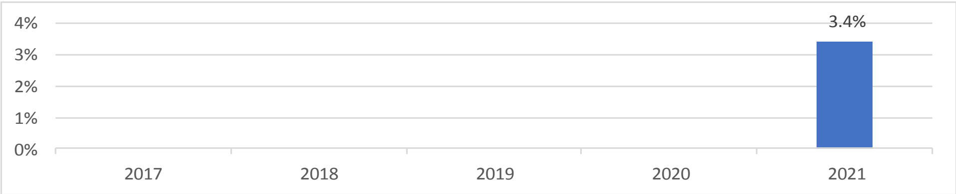
9. Dividends risk / distributions payable out of capital or effectively out of capital risk

- There is no guarantee that any dividends will be distributed and thus investors may not receive any distributions. Where there is a distribution, there will not be a target level of dividend payout.
- The Manager may, at its discretion, pay dividend out of capital or effectively out of capital of the Sub-Fund in circumstances where the net distributable income of a class is insufficient to pay for any dividend which may be declared. Payment of dividends out of capital or effectively out of capital may require the Manager to sell the assets of the Sub-Fund and 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 out of capital or effectively out of capital of Sub-Fund may result in an immediate reduction of the Net Asset Value per Unit of the relevant class.
- Where any distribution involves payment of dividends out of capital or effectively out of capital of the Sub-Fund, investors should note that a high distribution yield does not imply a positive or high return on the total investment.

10. Securities lending transactions risk

- Counterparty risk: The borrower may fail to return the securities in a timely manner or at all. The Sub-Fund may as a result suffer from a loss or delay when recovering the securities lent out. This may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.
- Collateral risk: As part of the securities lending transactions, the Sub-Fund must receive at least 100% of the valuation of the securities lent as collateral marked-to-market on a daily basis. However, there is a risk of shortfall of collateral value due to inaccurate pricing of the collateral, adverse market movements in the collateral value, change of value of securities lent. This may cause significant losses to the Sub-Fund if the borrower fails to return the securities lent out. The Sub-Fund may also be subject to liquidity and custody risk of the collateral, as well as legal risk of enforcement.
- Operational risk: By undertaking securities lending transactions, the Sub-Fund is exposed to operational risks such as delay or failure of settlement. Such delays and failure may restrict the Sub-Fund's ability in meeting delivery or payment obligations from redemption requests.

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.
- The figures show by how much Class A USD increased or decreased in value during the calendar year being shown. Performance data has been calculated in US$ 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.
- Sub-Fund launch date: 17 March 2020
- Class A USD launch date: 17 March 2020

Class A USD is selected as the representative class because it has the longest history.

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**
	Class A Units and Class QD Units

Subscription fee	Up to 5% of the subscription price
Redemption fee*	NIL
Switching fee*	1% of the redemption price of the units being switched

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 class of Units' Net Asset Value)
Management fee*	Class A Units: 1.50% Class QD Units: 0.75%
Performance fee	None
Trustee fee*	0.125% per annum
Custodian fee*	Up to 0.025% per annum of the month-end market value of investments held in custody for the Sub-Fund Subject to a monthly minimum fee (Trustee fee and Custodian fee collectively) of USD4,000.

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 next-determined Net Asset Value after the Trustee receives your request, directly or via a distributor, in good order at or before 4:00 pm (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 Net Asset Value and the latest subscription and redemption prices of units are available on the Manager's website www.famfundgroup.com (this website has not been reviewed by the SFC) on each business day.
- Investors may obtain information on the distributor(s) appointed in respect of the Sub-Fund by referring to the Manager's website.
- 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 are available by the Manager on request and on the website of the Manager at www.famfundgroup.com (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.