



## PRODUCT KEY FACTS

SDICSI (Hong Kong) Open-ended Fund Company -

SDICSI USD Money Market Fund

April 2025

SDICS International Asset Management (Hong Kong) Limited

- *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 Prospectus of SDICSI (Hong Kong) Open-ended Fund Company.*
- *You should not invest in this product based on this statement alone.*

### Quick facts

<b>Manager:</b>	SDICS International Asset Management (Hong Kong) Limited
<b>Custodian:</b>	CMB Wing Lung (Trustee) Limited
<b>Ongoing charges over a year*:</b>	Class A (Accumulation) Shares: estimated to be 0.43% Class B (Accumulation) Shares: estimated to be 0.33% Class I (Accumulation) Shares: estimated to be 0.18%
<b>Dealing frequency:</b>	Daily (Hong Kong business days)
<b>Base currency:</b>	US Dollars (USD)
<b>Dividend policy:</b>	No dividend distribution (dividends, if any, will be reinvested)
<b>Financial year end of the Sub-Fund:</b>	31 December
<b>Minimum initial investment:</b>	Class A: USD1 Class B: USD1 Class I: USD100,000
<b>Minimum subsequent investment:</b>	Class A: USD1 Class B: USD1 Class I: USD100,000

*\* As the share classes are newly launched, the ongoing charges figures are indicative only. These figures are calculated based on the estimated ongoing expenses chargeable to the relevant share class over a 12-month period expressed as a percentage of the relevant share class's estimated average NAV over the same period. These figures may vary from year to year. The actual figure may be different from the estimated figure.*

### What is this product?

- SDICSI USD Money Market Fund (“**Sub-Fund**”) is a sub-fund of SDICSI (Hong Kong) Open-ended Fund Company (“**Company**”), which is a Hong Kong public umbrella open-ended fund company (“**OFC**”) established under the laws of Hong Kong with variable capital and limited liability, and segregated liability between sub-funds.

- **The purchase of a share 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 the shares 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 (“NAV”).**

## **Investment Objective and Policy**

### **Objective**

The investment objective of the Sub-Fund is to invest in short-term and high quality money market investments with the primary considerations of capital preservation and liquidity. The Sub-Fund seeks to achieve a return in USD in line with prevailing money market rate. There can be no assurance that the Sub-Fund will achieve its investment objective.

### **Policy**

The Sub-fund seeks to achieve its investment objective by investing primarily (i.e. not less than 70% of its NAV) in a range of USD-denominated and settled short-term deposits and high quality money market instruments issued by governments, quasi-governments, international organisations, financial institutions and other corporations. The Sub-Fund may also invest up to 30% of its NAV in short-term deposits and high quality money market instruments denominated in other currencies. The Manager will hedge non-USD-denominated investments into USD in order to manage any material currency risk.

### **Short-term Deposits and High Quality Money Market Instruments**

The short-term deposits and high quality money market instruments that the Sub-Fund invests in may include but are not limited to fixed income securities, government bills, certificates of deposit, commercial papers, commercial bills, fixed and floating rate short-term notes and bankers' acceptances.

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 as follows:

- **Credit rating:** The Sub-Fund will only invest in fixed income securities which are (i) rated investment grade or above, or (ii) (where the fixed income security itself does not have a credit rating) issued by issuers which are rated investment grade or above or guaranteed by guarantors which are rated investment grade or above.

For the purpose of the Sub-Fund, a short-term fixed income security is considered investment grade if it, or its issuer or guarantor, has a short-term credit rating of A-3/F3/P-3 or higher from Standard and Poor's / Fitch Ratings / Moody's or an equivalent rating from an internationally recognised credit rating agency, or a credit rating of AA+ or higher from a Mainland Chinese credit rating agency.

While the Sub-Fund does not intend to invest in fixed income securities with a long term to maturity remaining at the time of investment, long-term credit ratings will be considered in assessing the credit quality of the fixed income securities which have been rated long-term credit ratings but with short remaining term to maturity (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. For such securities, investment grade means BBB-/BBB-/Baa3 or higher from Standard and Poor's / Fitch / Moody's or an equivalent rating from an internationally recognised credit rating agency, 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.

Before investing in a fixed income security, the Manager will consider the credit rating of the fixed income security itself, then the credit rating of the issuer or the guarantor if the fixed income security itself is not rated. The Manager will consider the credit rating of the banking group to which the issuing bank belongs to if the issuer is not rated. If neither the fixed income security nor the issuer, the guarantor and the banking group to which the issuing bank is rated, it will be classified as unrated.

For investment grade (either the security or its issuer or guarantor) fixed income securities, the Manager will assess the credit risks of the fixed income security on an ongoing basis based on quantitative and qualitative fundamentals, including but not limited to the issuer's leverage, operating margin, return on capital, interest coverage, operating cash flows, industry outlook, the firm's competitive position and corporate governance etc. to ensure the fixed income security that the Sub-Fund invests in is of sound credit quality.

- **Liquidity:** The Manager will assess the liquidity profile of instruments based on, among other factors, time to cash, external liquidity classification, liquidation horizon, daily trading volume, price volatility and bid-ask spread of such instruments (subject to the availability of such data). Only instruments with sufficient liquidity 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 short-term deposits or high quality money market instruments that the Sub-Fund invests in. Countries or regions in which the Sub-Fund may invest in include, but are not limited to, developed markets (which may amount to up to 100% of the Sub-Fund's NAV), as well as emerging markets (to an extent not more than 30% of the Sub-Fund's NAV).

The Sub-Fund does not currently intend to invest in onshore China fixed income securities.

The Sub-Fund will not invest in any convertible bonds or instruments with loss absorption features.

### **Sale and Repurchase Transactions, Reverse Repurchase Transactions and Borrowing**

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 enter into sale and repurchase transactions for up to 10% of its NAV but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses. The amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its NAV.

The Sub-Fund may engage in reverse repurchase transactions (i.e., a transaction whereby the Sub-Fund purchases securities from a counterparty of sale and repurchase transactions and agrees to sell such securities back at a predetermined price in the future) provided that the aggregate amount of cash provided to the same counterparty in reverse repurchase agreements may not exceed 15% of the NAV of the Sub-Fund.

### **Other investments**

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

The Sub-Fund may invest up to 15% of its NAV in asset backed securities, such as mortgage backed securities. Such asset backed securities will be rated investment grade or 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:

- 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%;
- in the case of government and other public securities, up to 30% may be invested in the same issue; or
- in respect of any deposit of less than USD1,000,000, where the Sub-Fund cannot otherwise diversify as a result of its size.

Subject to the above, 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 NAV.

The Sub-Fund may use financial derivative instruments ("**FDIs**") (including but not limited to interest rate swaps and currency swaps) for hedging purposes only. The currency risk of the Sub-Fund will be appropriately managed. In particular, any material currency risk will be appropriately hedged where the Sub-Fund invests in assets that are not denominated in USD.

### **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 Prospectus for details including the risk factors.

### 1. Investment risk

The Sub-Fund is an investment fund and not a bank deposit. The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and investors may suffer losses as a result. There is no guarantee of the repayment of principal. Investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in the underlying assets into which the Sub-Fund may invest.

### 2. Risks associated with fixed income securities (including money market instruments)

- Short-term fixed income instruments risk – As the Sub-Fund invests substantially in short-term fixed income instruments with short maturities, 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 short-term fixed income instruments may also increase which in turn may have a negative impact on the NAV of the Sub-Fund. The Sub-Fund's underlying fixed income securities may become more illiquid when nearing maturity. It therefore may be more difficult to achieve fair valuation in the market.
- Credit / counterparty risk – The Sub-Fund is exposed to the credit/default risk of issuers of the fixed income securities it invests in.
- Volatility and liquidity risk – The fixed income 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 fluctuation. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- Interest rate risk – Investment of fixed income instruments in the Sub-Fund is subject to interest rate risk. Generally, the prices of fixed income securities rise when interest rates fall, whilst their prices fall when interest rates rise. Any increase in interest rates may adversely impact the value of the Sub-Fund's portfolio.
- Credit rating risk – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security, issuer and/or guarantor at all times. The rating of an issuer and/or a guarantor is heavily weighted by past performance and does not necessarily reflect the probable future conditions.
- 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 Mainland Chinese rating agencies may therefore not be directly comparable with those given by other international rating agencies.
- Credit rating downgrading risk – The credit rating assigned to a security, an issuer or a guarantor may be re-evaluated and updated based on recent market events or specific developments. In such case, the Sub-Fund's investment value may be adversely affected. The Manager may or may not be able to dispose of the fixed income instruments that are being downgraded.
- Sovereign debt risk – The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to higher 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.
- 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.

### 3. 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.

#### 4. Concentration risk

The Sub-Fund will invest primarily in USD-denominated short-term deposits and high quality money market instruments (which may include fixed income securities). The Sub-Fund is therefore likely to be more volatile than a broad-based fund that adopts a more diversified strategy. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory events affecting the USD money markets.

#### 5. Risks associated with investment in FDIs

Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of an FDI can result in a loss significantly greater than the amount invested in the FDIs by the Sub-Fund. Exposure to FDIs may lead to a high risk of significant loss by the Sub-Fund. The Sub-Fund may invest in derivatives for hedging purposes and in adverse situations its use of FDIs may become ineffective and/or cause the Sub-Fund to suffer significant losses.

#### 6. Currency and foreign exchange risk

Underlying investments of the Sub-Fund may be denominated in currencies other than its base currency. 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.

#### 7. Emerging market risk

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

### 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 shares of the Sub-Fund.

Fee	What you pay		
	Class A	Class B	Class I
Subscription Charge (% of the total subscription amount)	Up to 1%	Nil	Up to 0.6%
Redemption Charge (% of the total redemption amount)	Nil		

<b>Switching Fee (% of the total amount being converted)</b>	Up to 1%	Nil	Up to 1%
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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>Fee</b>	<b>Annual rate (as a % of the Sub-Fund's NAV)</b>		
	<b>Class A</b>	<b>Class B</b>	<b>Class I</b>
<b>Management Fee</b>	0.30% per annum	0.20% per annum	0.05% per annum
<b>Performance Fee</b>	Nil		
<b>Custodian Fee<sup>^</sup></b>	<p><b>Current:</b> Up to 0.01% per annum, subject to a minimum monthly fee of USD2,500 in respect of the aggregate of Custodian Fee and Administrator Fee</p> <p><b>Maximum:</b> 0.10% per annum</p>		
<b>Administration Fee<sup>^</sup></b>	<p><b>Current:</b> Up to 0.04% per annum, subject to a minimum monthly fee of USD2,500 in respect of the aggregate of Custodian Fee and Administrator Fee</p> <p><b>Maximum:</b> 0.15% per annum</p>		

### **Other fees**

You may have to pay other fees and charges when dealing in the shares of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in the Prospectus.

<sup>^</sup> Please note that some fees may be increased up to the specified permitted maximum amount by providing not less than one month's prior notice to the investors. Please refer to the section headed "Fees and Expenses" in the Prospectus and the relevant Appendix for further details of the fees and charges payable and the permitted maximum of such fee allowed (if applicable), as well as other ongoing expenses that may be borne by the Sub-Fund.

### **Additional Information**

- You generally buy and redeem shares at the Sub-Fund's next-determined NAV after the authorised distributor or the Manager has received your request in good order on or before 11:00 a.m. (Hong Kong time) being the dealing cut-off time. The authorised distributor may impose different dealing deadlines for receiving instructions for subscriptions, redemption or switching. Investor should pay attention to the arrangements of the authorised distributor concerned.
- The NAV of this Sub-Fund is calculated and the price of shares published each business day. They are available online at the Manager's website: [https:// www.sdicsi.com.hk](https://www.sdicsi.com.hk). Please note that this website has not been reviewed by the SFC.
- You may obtain information on the distributor(s) in respect of the Sub-Fund by contacting the Manager at +852 2213 1532.

### **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. SFC registration and authorisation do not represent a recommendation or endorsement of the Company or the Sub-Fund nor do they guarantee the commercial merits of the Company or the Sub-Fund or their performance. They do not mean the Company or the Sub-Fund is suitable for all investors nor do they represent an endorsement of its suitability for any particular investor or class of investors.