Sumitomo Mitsui DS Asset Management

PRODUCT KEY FACTS

Sumitomo Mitsui DS Investment Fund
Japan High Dividend Stocks Fund

December 2019

SUMITOMO MITSUI DS ASSET MANAGEMENT (HONG KONG) LIMITED

- ***This statement provides you with key information about Japan High Dividend Stocks Fund (the "Sub-Fund").***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of Sumitomo Mitsui DS Investment Fund.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager	Sumitomo Mitsui DS Asset Management (Hong Kong) Limited
Trustee:	Brown Brothers Harriman Trustee Services (Hong Kong) Limited
Custodian:	Brown Brothers Harriman & Co.
Ongoing charges over a year*^:	Class A (HKD) Acc – 3.10% Class A (USD) hedged Dis – 2.60%
Dealing frequency:	Daily, each day banks and securities and futures exchanges are open in Hong Kong and Japan
Base currency:	JPY
Dividend policy:	Currently on a monthly basis for Class A (JPY) Dis, Class A (HKD) Dis, Class A (USD) Dis and Class A (USD) hedged Dis, subject to the Manager's discretion. Distributions may, at the discretion of the Manager, be paid out of capital or effectively paid out of capital#, which will result in an immediate reduction of net asset value per unit. No distribution will be declared or distributed for Class A (JPY) Acc, Class A (HKD) Acc, Class A (USD) Acc and Class A (USD) hedged Acc.
Financial year end of the Sub-Fund:	31 March
Minimum investment:	Class A (JPY) Acc, Class A (JPY) Dis – JPY200,000 initial, JPY100,000 additional Class A (HKD) Acc, Class A (HKD) Dis – HKD20,000 initial, HKD10,000 additional Class A (USD) Acc, Class A (USD) Dis – USD2,000 initial, USD1,000 additional Class A (USD) hedged Acc, Class A (USD) hedged Dis – USD2,000 initial, USD1,000 additional

**The ongoing charges figures are calculated based on the ongoing expenses chargeable to the relevant unit class for the six-month period ended 30 September 2019 expressed as an annualised percentage of the relevant unit class's average net asset value over the same period. These figures may vary from year to year.*

^The fund administration fee is borne by the Manager for all Classes of Units.

#The Manager may at its discretion pay dividend out of gross income while charging / paying all

or part of the Sub-Fund's fees and expenses to / out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of dividends by the Sub-Fund and therefore, the Sub-Fund may effectively pay dividend out of capital.

What is this product?

- Japan High Dividend Stocks Fund is a sub-fund of Sumitomo Mitsui DS Investment Fund, a Hong Kong domiciled umbrella structure unit trust. It is governed by the laws of Hong Kong.

Objective and Investment Policy

Objective

The Sub-Fund seeks to achieve mid to long-term capital growth through investing primarily in equities or equities-related securities issued by Japanese companies.

Policy

The Sub-Fund will invest at least 70% of its net asset value in equities or equities-related securities issued by companies which are established or have significant operations in Japan and are listed or traded on recognized exchanges that the Manager deems to have a potential high dividend yield. Equities or equities-related securities include but are not limited to listed real estate investment trusts (REITs), common stocks, preference shares, American Depository Receipts and Global Depository Receipts. The Sub-Fund will be unrestricted in its choice of companies by size or sector, and the weight in any one sector may go up to 60% of the Sub-Fund's net asset value.

The Sub-Fund may invest up to 5% of its net asset value in exchange traded funds, which invest in shares of Japanese companies.

For currency hedged classes, derivative instruments such as foreign exchange futures may be used to hedge the currency exposure of classes denominated in a currency other than the currency of denomination of the Sub-Fund.

The Sub-Fund may invest in derivatives such as equity index futures for hedging purpose only.

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's 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's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

2. **Currency risk**
   - Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of units may be designated in

a currency other than the base currency of the Sub-Fund. The net asset value of the Sub-Fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

3. **Equity market risk**
   - 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.

4. **High dividend equity risks**
   - There is a risk that the value of the Sub-Fund's equity investments may decline or have a lower than average potential for price appreciation due to their high dividend nature. There is no guarantee that such investments will declare or pay out dividends.
   - The high dividend policy of the underlying securities may not have a direct relationship with the distribution policy of the Sub-Fund. There is also no guarantee of dividend or distribution payments by the Sub-Fund during the period an investor holds units in the Sub-Fund.

5. **Risk associated with small-capitalisation / mid-capitalisation companies**
   - The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

6. **Concentration risk**
   - The Sub-Fund's investments are concentrated in Japan equity securities and may be concentrated in a specific industry sector. 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 Japanese market.

7. **Risks relating to hedging and the hedged classes of units**
   - There can be no assurance that any currency hedging strategy employed by the Manager will fully and effectively eliminate the currency exposure of the Sub-Fund.
   - Hedging strategies may preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.
   - Any expenses arising from such hedging transactions will be borne by the Sub-Fund or the relevant currency hedged class.

8. **Risks associated with distribution out of/effectively out of the Sub-Fund's capital**
   - In respect of Class A (JPY) Dis, Class A (HKD) Dis, Class A (USD) Dis and Class A (USD) hedged Dis, payment of dividends out of capital and/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 share/ unit.
   - The distribution amount and net asset value of the currency hedged distribution class may be adversely affected by differences in the interest rates of the reference currency of the currency hedged distribution class and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged distribution

classes.

How has the Sub-Fund performed?

As Class A has been launched for less than a full calendar year, 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 (Subscription Charge) (% of the initial offer price or the issue price)	Class A: Up to 5%
Redemption fee (Redemption Charge) (% of the redemption amount)	Nil
Switching fee (% of the issue price of the new class)	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 (unless otherwise specified below, as a % of the Sub-Fund's net asset value)

Management Fee*	Up to 2.50% p.a. (current level at 1.60% p.a. for Class A)
Trustee Fee*	Up to 1% p.a. (current level at 0.05% p.a.)
Custodian Fee	0.05% p.a. of market value of investments under custody
Performance Fee	Not applicable

Administration Fee	0.08% p.a., plus the following fees: (i) Fund administration fee: USD3,000 per annum per class of units^ (ii) Transfer agency fee: USD2,500 per annum (inclusive of 4 classes of units), USD500 per annum per additional class of units In respect of Class A (USD) hedged Acc and Class A (USD) hedged Dis, an additional administration fee will be payable at a rate of 0.05% p.a. of the relevant unit class' net asset value

Other fees

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

*The current annual rate may be increased up to the specified permitted maximum level as set out in the Explanatory Memorandum by giving not less than one month's prior notice to the investors.

^This fund administration fee for all Classes of Units is borne by the Manager.

Additional Information

- You generally buy and redeem units at the Sub-Fund's next-determined net asset value (NAV) after the authorised distributor or the Manager has received your request in good order on or before 5:00p.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 net asset value of this Sub-Fund is calculated and the price of units published each "business day". They are available online at the Manager's website: https://asia.smd-am.com.

- Compositions of the distributions (if any) (i.e. the relative amounts/percentages paid out of (i) net distributable income; and (ii) capital) for Class A (JPY) Dis, Class A (HKD) Dis, Class A (USD) Dis and Class A (USD) hedged Dis for the last 12 months are available by the Manager on request and also in the Manager's website at https://asia.smd-am.com. Please note that 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.