

## PRODUCT KEY FACTS



### Mirae Asset Global Discovery Fund - Mirae Asset ESG Asia Sector Leader Equity Fund October 2023

- *This statement provides you with key information about this product.*
- *This statement is a part of the Hong Kong offering document.*
- *You should not invest in this product based on this statement alone.*

#### Quick facts

<b>Management Company:</b>	FundRock Management Company S.A.
<b>Principal Investment Manager:</b>	Mirae Asset Global Investments (Hong Kong) Limited located in Hong Kong (external delegation)
<b>Depository:</b>	Citibank Europe plc, Luxembourg Branch
<b>Ongoing charges over a year:</b>	Class A – Capitalisation: USD: 1.86%* Class A – Capitalisation: EUR: 1.86%*
<b>Dealing frequency:</b>	Daily (Luxembourg and Hong Kong business days)
<b>Base currency:</b>	USD
<b>Dividend policy:</b>	No dividend will be declared and paid to the Shareholders in the Sub-Fund.
<b>Financial year end of the Sub-Fund:</b>	31 March
<b>Minimum investment:</b>	<u>Minimum initial investment</u> Class A : equivalent to 1 unit share

\* This figure is based on actual expenses incurred for the year ended 31 March 2023. It represents the sum of the ongoing expenses chargeable to the relevant share class expressed as a percentage of the average net asset value of the relevant share class. This figure may vary from year to year. It does not include any extraordinary expenses.

#### What is this product?

Mirae Asset ESG Asia Sector Leader Equity Fund (the “Sub-Fund”) is a sub-fund of Mirae Asset Global Discovery Fund which is a mutual fund domiciled in Luxembourg and its home regulator is the Commission de Surveillance du Secteur Financier (CSSF).

#### Objective and Investment Strategy

##### Objective

The primary objective of the Sub-Fund is to achieve long term growth in the share price through capital appreciation, measured in US Dollars, of the underlying equity portfolio. The Sub-Fund promotes environmental, social and governance (ESG) criteria.

## **Strategy**

The Principal Investment Manager will seek to achieve the objective of the Sub-Fund by investing mainly in equities and equity related securities (such as but not limited to shares and depository receipts) of sector leading companies domiciled in or exercising a large portion of their economic activity in countries (including, but not limited to, territories and special administrative regions) of Asia (ex. Japan) such as Korea, China, Hong Kong, Taiwan, Singapore, India, Malaysia, Indonesia, Thailand and Philippines but additional opportunities are also sought, whenever laws or regulations in other emerging markets in Asia allowing the Sub-Fund to invest in their markets or exchanges, such as Pakistan, Sri Lanka and Vietnam.

Securities of “sector leading companies” refer to securities that are highly ranked (usually means first or second), or expects to be highly ranked in the future, in terms of market share, earnings or market capitalization within their respective country, region, industry, products produced or services offered.

The Principal Investment Manager will apply the ESG Approach (as described below) such that at least 70% of the assets in the Sub-Fund are allocated to investments aligned with the ESG characteristics promoted by the Sub-Fund. For the remainder of the Sub-Fund’s portfolio (i.e. less than 30% of the assets of the Sub-Fund), subject to the relevant restrictions, the Sub-Fund may invest in unscreened investments including cash and cash equivalents held as ancillary liquidity, hedging instruments, and/or (on a temporary basis) investments for which data are lacking. As a minimum environmental and social safeguard, the exclusions under the ESG Approach apply to 100% of the portfolio (excluding cash and other ancillary assets). The application of the ESG Approach reduces the investment universe by at least 20%.

The Sub-Fund’s direct investments in China A-Shares (including those listed on the ChiNext Board and/or the Science and Technology Innovation Board) through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programs (the “Stock Connect”) (as further described in the section headed “Additional disclosure in relation to Stock Connect” in the Information for Hong Kong Investors) and the Qualified Foreign Investor (“QFI”) regime shall not exceed 30% of its net assets. The Sub-Fund may also make indirect investments in China A-Shares via access products. In aggregate the Sub-Fund may invest up to 30% of its net assets in China A-Shares (through direct and indirect investment) and/or China B-Shares.

The Principal Investment Manager will have full discretion in selection of securities and the allocation of the Sub-Fund’s assets. Usually, the Sub-Fund would at the Principal Investment Manager’s discretion, invest its assets mainly in listed securities, and may also invest up to 20% of its net assets in ancillary liquid assets for liquidity management purposes. However, in exceptional and temporary circumstances, the Sub-Fund may invest more than 20% of its net assets in ancillary liquid assets if the board of directors considers this to be in the best interest of the shareholders.

The Sub-Fund is actively managed and references the MSCI AC Asia ex Japan Index (the “Benchmark”) by seeking to outperform it. There are no restrictions on the extent to which the Sub-Fund’s portfolio may deviate from the one of the Benchmark.

As permitted by and subject to the provisions of the Prospectus, the Sub-Fund may use financial derivative instruments (such as index futures and foreign exchange swaps), and employ techniques and instruments, for efficient portfolio management and hedging purposes only.

The Sub-Fund will not invest more than 10% of its net assets in any securities issued by or guaranteed by any single country (including its government, a public or local authority of that country) with a credit rating below investment grade.

## **ESG Approach**

### *(i) ESG Scorecard*

The Principal Investment Manager has developed the “Mirae Asset ESG Scorecard” to ensure ESG scores are tailored to the companies in the Sub-Fund’s portfolio based on the sectors and markets they operate in. The scoring is based on a 1 to 5 rating (1-rating indicating poor performance and 5-rating indicating excellent performance). This in-house ESG scoring system assesses a company’s ESG performance using company data (i.e. data provided by the company) as well as alternate data (i.e. data provided by other third party data sources). Each company will be assigned a score under each of the environmental, social and governance pillars and an overall weighted rating in the Mirae Asset ESG Scorecard.

Please refer to the Information for Hong Kong Investors for more details on the Mirae Asset ESG Scorecard.

*(ii) Best-in-class methodology*

The Principal Investment Manager applies a best-in-class methodology following which the Sub-Fund will invest at least 70% of its net assets in companies that are (a) within the top 50% threshold of environmental and/or social scores and (b) within the top 50% threshold of governance scores (i.e. 3-rating or above) based on the Mirae Asset ESG Scorecard.

*(iii) Exclusions*

The Principal Investment Manager excludes investments in companies that have significant (more than 15%) revenue in weapons, tobacco, adult entertainment, cannabis, and fossil fuels which includes thermal coal mining, unconventional oil & gas and power generation (e.g. thermal coal, nuclear, etc.).

## **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 Hong Kong offering document for details including the risk factors.**

### **1. Risk of investing in emerging markets**

- The Sub-Fund invests in emerging markets such as Korea, Thailand and China carrying higher risk than investment in a developed market (e.g. investment and repatriation restrictions, currency fluctuations, government involvement in the private sector, investor disclosure requirements, possibility of limited legal recourse). Investment in some emerging markets also carries a higher liquidity risk than investment in a developed market due to a relatively low market volume in emerging stock markets.

### **2. Single region risk**

- The Sub-Fund invests mainly in countries of Asia (ex Japan), its investment is not as diversified as global funds. The Sub-Fund tends to be more volatile than global funds and its portfolio value can be exposed to country specific risks.

### **3. Currency / Foreign exchange 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 shares 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.

### **4. Risk of investing in equities and equity related securities**

- The Sub-Fund invests mainly in equities and equity related securities and the value of the Sub-Fund may be affected by changes in the stock markets, changes in the value of individual portfolio securities, as well as by economic, political, and issuer specific changes. At times, stock markets and individual securities can be volatile and prices can change substantially in short periods of time.

### **5. ESG investment risks**

- The Sub-Fund's performance may differ significantly from the performance of funds with similar investment universe but without applying ESG criteria. The Sub-Fund's portfolio may also be concentrated in ESG-related securities and its value may become more volatile than that of a fund investing in a more diversified portfolio.
- There is a lack of standardized taxonomy in ESG evaluation methodologies and the way in which different funds that use ESG criteria will apply such criteria may vary. ESG assessment on investments may require subjective judgements, which may include consideration of third party data that is subjective, incomplete or inaccurate. This may affect the Principal Investment Manager's ability to measure and assess the ESG characteristics of a

potential investment and may cause the Sub-Fund to have exposure to an investment which do not meet the ESG criteria. There can be no guarantee that the Principal Investment Manager will correctly assess the ESG characteristics of the Sub-Fund's investments.

- Applying ESG criteria in the investment process may result in the exclusion of securities in which the Sub-Fund might otherwise invest. Implementation of the Sub-Fund's exclusion policy may result in the Sub-Fund forgoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so.

#### **6. Risks related to investments through the Stock Connect**

- The relevant rules and regulations on the Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the Stock Connect is effected, the Sub-Fund's ability to invest in China A-Shares or access the PRC market through the Stock Connect will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

#### **7. Risks related to investments through the QFI regime**

- The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and policy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
- The Sub-Fund may suffer substantial losses if the approval of the Principal Investment Manager's QFI status is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including QFI custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

#### **8. Risks associated with the ChiNext Board and/or the Science and Technology Innovation Board ("STAR Board")**

- The Sub-Fund may invest in the ChiNext Board of the Shenzhen Stock Exchange and/or the STAR Board of the Shanghai Stock Exchange via the Stock Connect and/or the QFI regime. Investments in the ChiNext Board and/or the STAR Board may result in significant losses for the Sub-Fund and its investors, and will be subject to additional risks, including higher fluctuation on stock prices and liquidity risk, over-valuation risk, differences in regulations, delisting risk and concentration risk.

#### **9. Risks related to investment in Mainland equity securities and PRC tax risks**

- The Sub-Fund may invest in China and may be subject to the risks of investing in emerging markets generally as well as country specific risks relating to China.
- The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting mainland China.
- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realized via the Stock Connect, QFI regime or access products on the Sub-Fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.
- Based on professional and independent tax advice, the Sub-Fund will not make tax provision for realized and unrealized capital gain derived from China A-Shares.

#### **10. RMB currency and conversion risks**

- RMB is currently not a freely convertible currency and is subject to currency exchange control and repatriation policies of the Chinese government.
- 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.

#### **11. Risk of financial derivative instruments**

- The use of financial derivatives instruments may expose the Sub-Fund to higher risks including market volatility risk, credit risk, counterparty risk and liquidity risk. In adverse situation, the use of financial derivatives instruments in effective portfolio management and hedging purposes may become ineffective and the Sub-Fund may suffer significant losses.

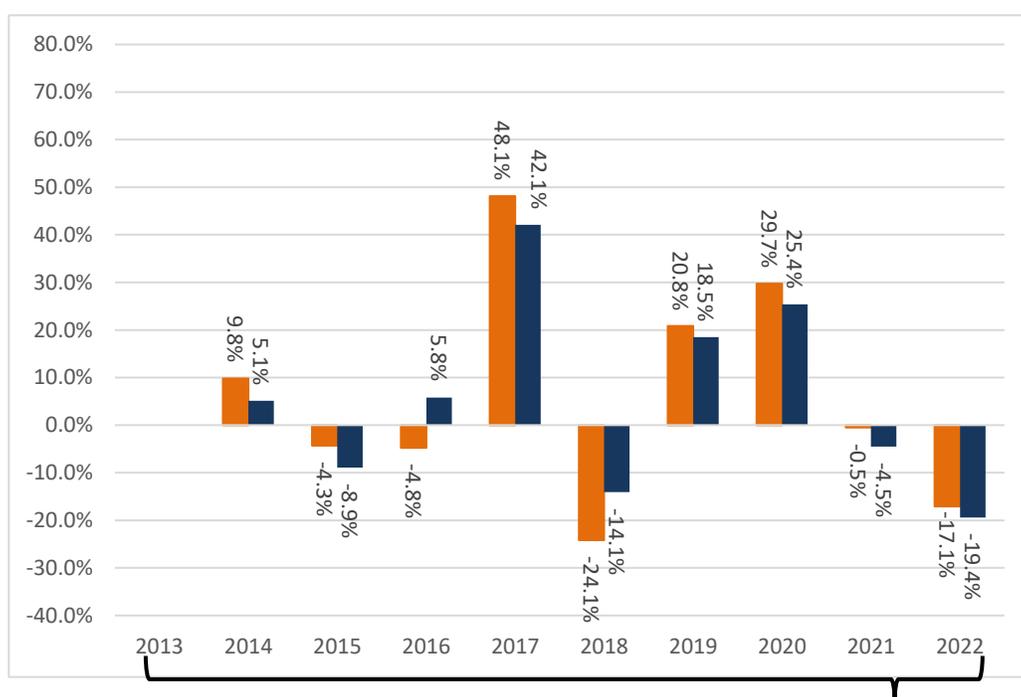
## 12. Risk of Foreign Account Tax Compliance Act (“FATCA”)

- The Sub-Fund will endeavour to satisfy the requirements imposed by FATCA to avoid the imposition of FATCA withholding tax. In the event that the Sub-Fund is not able to comply with the requirements imposed by FATCA and the Sub-Fund suffers US withholding tax on its US investments (if any) as a result of non-compliance, the Sub-Fund may be adversely affected and may suffer significant loss as a result.

## 13. Investment risk

- The Sub-Fund is an investment fund. The Sub-Fund's investment portfolio may fall in value and therefore your investment in the Sub-Fund may suffer losses.

## How has the Sub-fund performed?



- Class A – Capitalization: USD
- MSCI AC Asia ex Japan Index

Note

Note: The performance in these years were achieved under circumstances that no longer apply. The investment policy was changed on 28 January 2022.

- Share class^: Class A – Capitalisation: USD
- 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 dividends (if any) reinvested.
- These figures show by how much the share class increased or decreased in value during the calendar year shown. Performance data has been calculated in USD 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.
  - The benchmark of the Sub-Fund is MSCI AC Asia ex Japan Index.
  - The Sub-Fund launch date: 23 May 2012
  - Share class launch date: 17 May 2013
- ^ The Principal Investment Manager views Class A – Capitalisation: USD as the most appropriate representative share class as it is the share class available to all investors in Hong Kong and is denominated in the Sub-Fund's base currency.

## 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
Subscription fee	Up to 5.25% of subscription price
Switching fee (Conversion charge)	Up to 1% of subscription price of the shares into which shareholders are switching
Redemption fee (Redemption charge)	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 net asset value)
<b>Management fee</b> (Payable to Management Company)	Up to 0.05% (subject to a minimum annual fee of EUR 15,000)
<b>Management fee</b> (Payable to Principal Investment Manager)	Up to 2%
<b>Depositary fee</b>	Up to 0.5% (comprising of the Depositary fee of up to 0.0225%, plus any applicable custody fees, which vary by jurisdiction), subject to an annual minimum of USD18,900
<b>Performance fee</b>	Not applicable
<b>Domiciliary, Administrative and Paying Agent fees</b>	Up to 0.04%, subject to an annual minimum of USD35,000
<b>Settlement charges</b> (Payable to the Depositary)	Up to USD90 per transaction
<b>Registrar and Transfer Agent fees</b> (Payable to the Registrar and Transfer Agent)	Up to USD20 per transaction

### Other fees

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

## **Additional Information**

- You generally buy and redeem shares at the Sub-Fund's next-determined net asset value (NAV) after distributors receives your request in good order at or before 4:00p.m. (Hong Kong time), being the Sub-Fund's dealing cut-off time on each dealing day. Hong Kong distributors may impose different dealing deadlines for receiving requests from investors.
- The net asset value of the Sub-Fund is calculated and the price of shares is published daily at <http://www.am.miraeasset.com.hk><sup>1</sup>.
- Investors may obtain information on the Sub-Fund, including the past performance information of other share classes of the Sub-Fund offered to Hong Kong investors, and its distributors at <http://www.am.miraeasset.com.hk><sup>1</sup>.

## **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.

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<sup>1</sup> The website has not been reviewed by the SFC.