

Skyrocketing property price along with low default and delinquency rate have unleashed huge demand of the mortgage market in Hong Kong. Asset-backed security (ABS) is a financial security collateralized by a pool of assets. PLUTUS GUARDIANS ABS Fund 1 SP offers investment opportunity to the Hong Kong mortgage market to achieve risk mitigation and stable return.

Summary of Terms

Country of Incorporation	Cayman Islands
Type of Fund	Open-ended Fund
Investment Strategy	By establishing the Special Purpose Companies under a Sub-Fund in the form of a segregated portfolio.
Investment Objective	The Fund targets on Hong Kong property mortgage loans (where the proportion shall not be lower than 70% of the fund pool) and other asset-based loans (such as stock secured loans)
Equities Collateral Rate	The proportion of Main Board stock of HKSE as collateral shall not exceed 50% of the Fund; share collateral of a single stock shall not exceed HKD 10 million; For Hong Kong listed company controlling interest collateral ratio 50% or above, the monetary value may exceed HKD 10 million; it will be decided by the fund manager according to the situation.
Fund Term	(Lockup Period) 1.5 year
Redemption Terms	Redemption quarterly: 3-month notice; the sum of redemption value shall not exceed 5% of the net asset value of the Fund
Target Client	Professional Investors (Non-US Investor), divided 2 classes: Class A and Class B
Minimum Subscription Amount	Class A: HKD 1 million; increase by the multiples of HKD 100,000 if exceeding HKD 1 million Class B: HKD 1 million; increase by the multiples of HKD 100,000 if exceeding HKD 1 million
Initial Subscription Period	Third quarter of 2019
Initial Price	HKD 1,000 / unit
Weighted Average Mortgage Ratio	70%
Fund Manager	Plutus Asset Management Limited
Project Manager	TBC
Initial Subscription Fee	Up to 5%
Management Fee	2% per annum
Performance/Incentive Fee	If annual return for Class B exceeds 15%, additional 20% incentive fee will be charged
Expected Return	Class A: Up to 10% per annum, with distribution every six months (excluding subscription fee & management fee) Class B: 10% or above per annum with distribution every with every six months (excluding subscription fee & management fee)
Other fees and expenses	The set-up fee of the fund is expected to be HKD 800,000. Annual operating expense, including but not limited to, trust, legal, audit and administration, is estimated to be HKD 400,000. Agency fee, legal fee and project management fee amount to 1% of the Fund. The expenses will be deducted from the Fund and amortized in 5 years.

***Remarks :** In the event of financial loss, Class B will incur first. Only after all the capital of Class B has lost, will Class A incur.

Summary of Terms (Continue)

Cayman Legal	Ogier
Fund Administrator	Ayasa
Fund Auditors	TBC

About Plutus

Plutus Asset Management Limited ("Plutus") is a licensed corporation with the Securities and Futures Commission to conduct Type 4 (Advising on Securities) and Type 9 (Asset Management) regulated activities (BNJ533). Plutus offers professional asset management service with tailored comprehensive investment strategies, to maximize return.

Disclaimer:

This document is only intended for "Professional Investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO"). For more information regarding the SFO, please visit www.elegislation.gov.hk. The products and services described in this document are not available to and should not be accessed by any person who is not a Professional Investor.

Information

The information contained in this document ("Information") is provided by Plutus Asset Management Limited, which is regulated by the Hong Kong Securities and Futures Commission ("SFC"). The content of this document has however not been reviewed by the SFC and the Information is for informational purposes only.

Our Funds have not been authorized by the SFC to be marketed to the general public in Hong Kong. If you are in doubt about the Information, you should obtain independent professional advice. Investors should not make any investment decision solely based on the Information.

Changes to the Terms and Information

The Terms and the Information may be changed from time to time. The use of any part of this document will be subject to any such changes once they are made. It is therefore advisable to review any applicable terms and conditions and the Information you intended to use regularly.

Availability

The Information, including the layout of this document, any products and / or services may be wholly or partially suspended, withdrawn or changed at any time.

No Offer

None of the Information or any opinion contained on this document constitutes an offer to sell or a solicitation, or offer to buy, any securities or financial instruments or investment advice or any advice or recommendation in respect of such securities or other financial instruments.

Investment performance

Please note that the value of investments and the income derived from them may fluctuate and an investor may not receive back the amount originally invested. Where past performance is shown it refers to the past and should not be seen as an indication of future performance. The value and any income arising from any investment referred to on this document may go down as well as up. In particular you may not get back the full amount invested. Where overseas securities are held the rate of currency exchange may cause the value of the investment to go up as well as down. Any forecast, projection or target is indicative only and is not guaranteed in any way. We accept no liability for any failure to meet such a forecast, projection or target.

In the case of investments for which there is not a recognized market it may be difficult for investors to sell their investment or to obtain reliable information about its value or the extent of the risks to which it is exposed.

No Warranties

Other than the warranties and representations contained in the Terms, all other warranties and representations, whether expressed, implied or statutory are, to the fullest extent permitted by the law, excluded. We do not exclude or restrict our liabilities or duties to you where or to the extent that this is prohibited by law or regulation. You should assume that the use of this document is at your sole risk.

We do not represent that:

- the Information is accurate, complete or up to date or meet your specific requirements.

Exclusion of our liability

To the extent permitted by law, neither we nor any member of the Plutus Asset Management Limited shall be liable for any damage, loss or liability (whether arising in contract, tort, including negligence, or otherwise) arising out of or in connection with:

- your use of this document
- your reliance on or your inability to use the information, products or services on this document

Intellectual Property Rights

Unless otherwise expressly noted, all copyright, patent, intellectual and other property rights in connection with the Information are owned by Plutus Asset Management Limited or its group.

Unless you first get our written consent, you may not reproduce, modify, adapt, transmit, publish, broadcast, create derivative works of, store, archive or in any way exploit any of the Information.

