

Item 1: Introduction

MASECO Asia Limited (“we”/“our”/“us”) is a Hong Kong limited company. We trade under the names MASECO Asia Limited and MASECO. We are registered as an **investment advisor** with the Securities and Exchange Commission in the US.

Please note brokerage and investment advisory services and fees differ. It is important for you as a retail investor to understand the differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.

Item 2: Relationships and Services

What investment services and advice can you provide me?

We offer investment advisory accounts and services rather than brokerage accounts and services to retail investors.

Our wealth management service includes assistance with developing your investment strategy to help achieve your goals and wealth planning to address areas relevant to your personal financial circumstances (e.g., retirement planning, education planning, etc.). to ensure that we create a portfolio for you that meets your requirements.

- (i) Monitoring: We regularly monitor the investments to ensure they remain suitable, and we rebalance the portfolio periodically to ensure it remains in line with the target allocation. This will be done at least semi-annually.
- (ii) Investment Authority: We only offer asset management services on a **discretionary** basis. This means we buy/sell investments in your account without asking you first, according to the terms of a specified investment mandate.
- (iii) Limited Investment Offerings: We primarily use model portfolios. This means our investment advice will cover a limited selection of investments (e.g., mutual funds, exchange-traded funds). Other firms could provide advice on a wider range of choices, some of which might have lower costs.
- (iv) Account Minimums and Other Requirements: Our clients are typically High Net Worth

Individuals with a minimum of \$500,000 to invest.

Conversation Starters: The questions in red can be used to help facilitate your discussion with a financial professional to learn more about their products and services.

- ***Given my financial situation, why should I choose an investment advisory service? Why or why not?***

This will depend on your individual circumstances. However, generally, if you have some money to invest it can be helpful to have advice, particularly, if you have limited knowledge or experience of investing in the financial markets or if you have complex financial requirements (for example, a US citizen but resident in Hong Kong).

- ***How will you choose investments to recommend to me?***

We select investments in accordance with the principle of prudent diversification and based on empirical evidence and investment theory. We hold a number of convictions that form the basis of our investment philosophy which guides the decisions we make for our clients. The high-level criteria used in the selection of these asset classes is set out in our Form ADV Part 2 Brochure.

Funds are selected on the basis of various criteria, such as management style, investment philosophy, track record, investment objectives, portfolio composition, risk management, portfolio construction and fees and expenses. However, if your circumstances require, we can also create portfolios which invest directly in equities or bonds of fund of hedge funds.

We follow a risk-based approach to portfolio construction creating a range of risk-graded model portfolios which generally use institutional asset class strategies. Because we primarily use model portfolios, our investment advice will cover a limited selection of investments (e.g., mutual funds, exchange-traded funds).

Our recommendation will be sent to you in a report, a Discretionary Investment Mandate. Once agreed with you, this is how we will then manage your portfolio on a discretionary basis.

- **What is your relevant experience, including your licenses, education, and other qualifications? What do these qualifications mean?**

We have a training and competency regime which ensures that our staff are appropriately qualified and have the necessary skill and expertise to perform their role.

For certain activities which are considered by the SFC to be ‘regulated activities’, such as portfolio management or giving investment advice, those members of staff are required to have certain qualifications which are specifically linked to those activities. All Directors and staff engaged in the provision of a regulated activity in Hong Kong will be appropriately licensed with the SFC for Type 9 activities and must meet ‘Fit and Proper’ criteria and satisfy continuing professional training requirements each year.

For more information about each of our Wealth Managers, please visit our website.

What do those licenses/qualifications mean?

Wealth Managers at MASECO typically qualify through the Hong Kong Securities Institute, a body which offers the training and the examinations to the standard required by the SFC so they can be confident that the individual who passes specific exams has the necessary theoretical understanding of certain topics, such as market practice and investment management. For example, to be a Wealth Manager at MASECO requires an individual to pass the requisite LE Regulatory and/or Practical Papers, depending on the individual’s academic or professional qualifications. The LE Regulatory Papers (i.e. LE Papers 1 to 6) and Practical Papers (i.e. LE Papers 7 to 12) have been approved by the SFC as the Recognised Industry Qualifications and Local Regulatory Framework Papers in relation to the application for licences as Representatives and/or Responsible Officers for Type 9 regulated activities.

How are we compensated?

If you choose to open an account with us, we charge an **on-going asset-based fee** based on the value of cash and investments in the advisory account. This fee is charged on a quarterly basis. More information about fees and charges can be found in Item 4 below.

What does our discretionary asset management service cover?

Our wealth management service includes assistance with developing and designing your investment

strategy in order to achieve your goals. It is designed to provide us with a holistic view of your circumstances to help form a solid foundation for our investment recommendations. Our priority is to listen to you and your family.

Our service includes wealth planning to address a number of areas relevant to your personal financial circumstances (e.g., retirement planning, education planning, etc.) in order to ensure that we create a portfolio for you that meets your requirements. We will meet with you at least annually to update your wealth plan.

We follow a risk-based approach to portfolio construction creating a range of risk-graded model portfolios which generally use institutional asset class strategies. Because we primarily use model portfolios, our investment advice will cover a limited selection of investments (e.g., mutual funds, exchange-traded funds). Other firms could provide advice on a wider range of choices, some of which might have lower costs.

Item 3: Fees, Costs, Conflicts, and Standard of Conduct

What fees will I pay?

We charge fees quarterly on a sliding scale (see below table) based on the value of the investments in your portfolio.

| Value of Your Portfolio | Our Fee |
|----------------------------|---------|
| First \$500,000 | 1.25% |
| \$500,001 to \$1,000,000 | 1.00% |
| \$1,000,001 to \$2,500,000 | 0.90% |
| \$2,500,001 to \$5,000,000 | 0.80% |
| \$5,000,001 plus | 0.70% |

The more assets you have in the advisory account, the more you will pay us. We, therefore, have an incentive to increase the assets in your account to increase our fees. You pay our fee quarterly even if you do not buy or sell.

In exceptional circumstances, you may negotiate a different fee rate with us, but this will be at our discretion. The specific fees for your portfolio will be included in the agreement we enter into at the start of our relationship. In addition, we charge an annual maintenance fee of, currently, \$50.

The amount paid to our firm and your financial professional generally does not vary based on the type of investments we select on your behalf. The asset-based fee reduces the value of your investments and will be deducted from your account.

Description of Other Fees and Costs:

You are responsible for paying the fees of your custodian if applicable (e.g., maintenance charges or custody fees) as well as the charges applied when executing trade orders, for example, transaction charges.

Additional Information:

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

- **Help me understand how these fees and costs might affect my investments. If I gave you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?**

If you gave us \$10,000 to invest, we would invest \$10,000 provided that none of the funds selected impose a sales charge though we try to avoid those funds. If total fees on the portfolio came to 1% per annum, then over the year, if there was no growth on your portfolio, the value of your portfolio would reduce to \$9,900 with \$100 being taken as fees and charges. However, if we assume that the portfolio grows by 3% over the year, at the end of the year, it would be worth \$10,300. Now deduct the 1% fees and your portfolio would be worth \$10,200.

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

Standard of Conduct: *When we act as your investment adviser*, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide you. Here are some examples to help you understand what this means.

We may encourage you to add funds to the portfolio which will increase our compensation.

- **How might your conflicts of interest affect me, and how will you address them?**

Our fee is based on the value of your portfolio. This approach benefits both the firm as well as the Wealth Manager whose remuneration is linked to the value of assets under their control. This may cause a conflict of interest in that we may have an incentive to encourage you to increase the assets in your account in order to generate additional revenue.

However, we may offer additional compensation to the Wealth Manager that is discretionary and is calculated taking into consideration other factors linked to the Wealth Manager's individual performance, such as have there been any complaints or any material breaches. This is one of the ways in which we seek to mitigate the risk of poor sales behaviour.

We have a Code of Ethics which sets out the high ethical standards of business conduct that we require from all our employees. Both under US and HK regulations, we and our staff are required to conduct ourselves with integrity and with appropriate skill and expertise.

Another example is where a member of staff may wish to deal in a security which we are dealing in for our clients. The risk of a conflict of interest is reduced by having strict procedures governing how our staff are permitted to deal for their own personal account, including, pre-approval before dealing in certain types of securities as well as periodic disclosure of all holdings.

Further details are set out in our Conflicts of Interest policy which is available upon request and our Form ADV Part 2 Brochure.

How do your financial professionals make money?

Our Wealth Managers receive a fixed base salary as well as a discretionary quarterly payment based on the revenue generated to the firm by their clients but taking into consideration other factors, such as number of complaints or breaches which may reduce the remuneration.

Item 4: Disciplinary History

Do you or your financial professionals have legal or disciplinary history?

No. The firm has never been involved in any formal legal proceedings. Neither we nor any of our senior

Client Relationship Summary

management have any reportable disciplinary events. You can visit [Investor.gov/CRS](https://www.investor.gov/CRS) for a free and simple search tool to research us and our Wealth Managers.

- ***As a financial professional, do you have any disciplinary history? For what type of conduct?***

No. The firm has never been involved in any formal legal proceedings. Neither we nor any of our senior management have any reportable disciplinary events.

Item 5: Additional Information

Visit our website or call us to learn more about our services or request a copy of this relationship summary:

www.masecoasia.com;

Phone: +852 5808 2064

Email: enquiries@masecoasia.com

- ***Who is my primary contact person? Is he or she a representative of an investment adviser or a broker dealer? Who can I talk to if I have concerns about how this person is treating me?***

Who is my primary contact person?

Your Wealth Manager.

Is he or she a representative of an investment adviser or a broker dealer?

Your Wealth Manager represents us, an investment advisor.

Who can I talk to if I have concerns about how this person is treating me?

You should contact our Head of Compliance in the first instance either by calling the number above or by emailing: compliance@masecoasia.com.

If you do not feel that we have addressed your concerns satisfactorily, then you may be entitled to refer your complaint to Hong Kong's Financial Dispute Resolution Centre (FDRC) Service. The FDRC can be contacted using the below details:

Email: pr@fdrc.org.hk

Enquiry Hotline: +852 3199 5199

Address: Room 408-409, 4/F, West Wing, Justice Place, 11 Ice House Street, Central, Hong Kong

Visit [Investor.gov](https://www.investor.gov) for a free and simple search tool to research our firm and our financial professionals.

To report a problem to the SEC, visit [Investor.gov](https://www.investor.gov) or call the SEC's toll-free investor assistance line at (800) 732-0330.

If you have a problem with your investments, investment account or a financial professional, contact us in writing at our registered address:

Unit 2111, 21/F
New World Tower
16-18 Queen's Road Central
Hong Kong

For additional information on our investment advisory services, see our Form ADV brochure on IAPD on [Investor.gov](https://www.investor.gov) or access our brochure supplement by visiting our [website](#) or the following link: adviserinfo.sec.gov.