

PRODUCT KEY FACTS

BOC-Prudential North America Index Fund

a sub-fund of
the BOC-Prudential Index Fund Series

29 April 2022

Issuer: BOCI-Prudential Asset Management Limited

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

Quick facts

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| Fund Manager: | BOCI-Prudential Asset Management Limited (the "Investment Manager") |
| Trustee and Registrar: | BOCI-Prudential Trustee Limited |
| Ongoing charges over a year: | <i>Provident Class – Class A (HKD) Units[#]:</i> 0.11% of the NAV of such class of Units <i>Provident Class - Class B (HKD) Units[#]:</i> 0.50% of the NAV of such class of Units <i>Provident Administration Class (HKD) Units[^]:</i> 0.83% of the NAV of such class of Units <i>Investment Class (HKD) Units[#]:</i> 0.66% of the NAV of such class of Units <i>Retail Class (HKD) Units^{**}:</i> 0.78% of the NAV of such class of Units <i>Retail Class (RMB) Units^{**}:</i> 0.78% of the NAV of such class of Units <i>Retail Class (USD) Units^{**}:</i> 0.78% of the NAV of such class of Units |
| Underlying index: | FTSE MPF North America Index (unhedged) |
| Tracking difference of the last calendar year: | <i>Provident Class – Class A (HKD) Units:</i> -0.02% <i>Provident Class - Class B (HKD) Units:</i> -0.52% <i>Investment Class (HKD) Units:</i> -0.55% <i>Retail Class (HKD) Units:</i> -0.67% <i>Retail Class (RMB) Units:</i> -0.65% <i>Retail Class (USD) Units:</i> -0.66% |
| Estimated annual tracking difference^{**}: | <i>Provident Administration Class (HKD) Units:</i> -0.99% |
| Distribution policy: | The Investment Manager does not intend to make distributions for the sub-fund. Income earned will be reinvested in the sub-fund. |
| Financial year end: | 31 March |
| Minimum investment: | <i>Provident Class – Class A (HKD) Units:</i> No minimum investment and subsequent holding requirement <i>Provident Class - Class B (HKD) Units:</i> No minimum investment and subsequent holding requirement <i>Provident Administration Class (HKD) Units:</i> No minimum investment and subsequent holding requirement |

Investment Class (HKD) Units:

Initial and addition: HK\$5,000,000

Retail Class (HKD) Units:

Initial and addition: HK\$5,000

Retail Class (RMB) Units:

Initial and addition: the RMB equivalent amount of HK\$5,000

Retail Class (USD) Units:

Initial and addition: the USD equivalent amount of HK\$5,000

Dealing frequency: Daily (Hong Kong business days, other than Saturdays)**Base currency:** Hong Kong Dollars

- # The ongoing charges figure is based on expenses of such class of units for the period ended 30 September 2021. This figure may vary from year to year.
- ## The actual figure may vary upon actual operation of the Sub-Fund and depends on the actual fund size.
- * Since Retail Class Units (including Retail Class (HKD) Units, Retail Class (RMB) Units and Retail Class (USD) Units) have the same fee structure, a single ongoing charges figure can be calculated and published.
- ^ Since Provident Administration Class (HKD) Units are newly launched, the figure is only the Manager's best estimate of the expenses chargeable to such class expressed as a percentage of such class' estimated average net asset value over the first year of launch. The actual figure may be different upon actual operation of such class and may vary from year to year.

What is this product?

BOC-Prudential North America Index Fund (the “**sub-fund**”) is a sub-fund under the BOC-Prudential Index Fund Series, which is an umbrella unit trust established under the laws of Hong Kong. The sub-fund is a passively managed index tracking fund falling under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds.

Objectives and Investment Strategy

The sub-fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the FTSE MPF North America Index (unhedged) by investing in a portfolio of securities traded on the stock exchanges in North America. The sub-fund will not invest in securities traded outside North America. Cash or time deposits may be considered when appropriate.

Normal Asset Allocation: 70% – 100% *North America-related securities*
0 – 30% *cash or time deposits*

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the FTSE MPF North America Index (unhedged). The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the FTSE MPF North America Index (unhedged). The Investment Manager may invest in securities included in the FTSE MPF North America Index (unhedged), or in other securities that are not included in the FTSE MPF North America Index (unhedged) provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalisation, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the FTSE MPF North America Index (unhedged) provided that any such differences of weightings is subject to a maximum limit of 4% or such other percentage as determined by the Investment Manager after consultation with the SFC.

Currently, the sub-fund will not invest in listed futures, structured products or financial derivative instruments (“FDIs”) (dealt in over-the-counter (“OTC”) or listed/quoted on a stock exchange) or other OTC derivatives. Approval of the SFC will be obtained and prior notice of at least one (1) month will be given to the unitholders in case the sub-fund invests in any listed futures, structured products or FDIs.

Underlying Index - FTSE MPF North America Index (unhedged)

The FTSE MPF North America Index (unhedged) is an index consisting of constituent securities listed on the North America stock markets and is compiled and managed by FTSE International Limited ("FTSE").

The underlying index is a net total return, free float-adjusted market capitalisation weighted index. It forms part of the FTSE MPF Index Series which is developed by FTSE in collaboration with Willis Towers Watson and Hong Kong Investment Funds Association (HKIFA). The FTSE MPF Index Series was launched in 2001.

The base currency of the underlying index is Hong Kong dollars and the base date of the underlying index is 30 November 2000.

FTSE is the index provider of the FTSE MPF North America Index (unhedged). FTSE is independent of the Investment Manager or its connected person.

As at 13 April 2022, the FTSE MPF North America Index (unhedged) consists of 671 constituent securities and has a total market capitalisation of approximately USD 44,078.94 billion.

The list of constituent securities of the FTSE MPF North America Index (unhedged) with their respective weightings are available on the website of the index provider (<https://www.ftse.com/analytics/factsheets/home/constituentsweights>). Investors should note that the list of constituent securities of the FTSE MPF North America Index (unhedged) may be updated from time to time.

The index methodology and the latest index information of the FTSE MPF North America Index (unhedged) are available from the website of the index provider (www.ftserussell.com). Please refer to the "FTSE MPF North America Index (unhedged), FTSE MPF Europe Index (unhedged) and FTSE MPF China A Index" section of the Appendix to the Principal Brochure for further details of the underlying index.

Use of derivatives / investment in derivatives

The sub-fund will not use derivatives for any purposes.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. General 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 in respect of 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. 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. Concentration risk

- The sub-fund's investments focus on North America. 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 North America market.

5. North America economic risk

There is a risk that the economic growth experienced in the U.S. after the global financial crisis will remain to be slow and that the U.S. economy will continue its slow growth for a relatively long period. Although, through regulatory initiatives and monetary policies implemented by the U.S. Government, the U.S. equity markets have recovered to a certain extent, however, there can be no guarantee that the withdrawal of such policies or a rollback of regulation on the financial markets would not negatively affect the value and liquidity of the investments made by the Sub-Fund.

6. Passive investment risk

The sub-fund is passively managed. Due to inherent nature of index funds, the Investment Manager of the sub-fund will not have the discretion to adapt to market changes and may not be able to take defensive positions where the relevant stock markets decline. Hence, any fall in the underlying index will result in a corresponding fall in the value of the sub-fund.

7. Portfolio management risk

Since the sub-fund will not fully replicate the underlying index, there is a risk that as the implementation of the Investment Manager's investment strategy is subject to a number of constraints, the investment strategy may not produce the intended results.

8. Tracking error risk

The sub-fund may be subject to tracking error risk, which is the risk that its performance may not track that of the underlying index exactly. The sub-fund's returns may therefore deviate from the underlying index and such tracking error may be a result of a number of factors, for example, the fees and expenses of the sub-fund and the need for the Investment Manager to adopt a representative sampling strategy. There can be no assurance of exact or identical replication at any time of the performance of the underlying index. The Investment Manager will monitor and seek to manage such risk to minimise tracking error.

9. Termination risk

The sub-fund may be terminated early under certain circumstances, for example, (i) where the index provider terminating the underlying index or not allowing the sub-fund to use the underlying index and there being no successor index; or (ii) at any time one year after the establishment of sub-fund its net asset value falling below HK\$10,000,000. Investors may not be able to recover their investments and suffer a loss when the sub-fund is terminated.

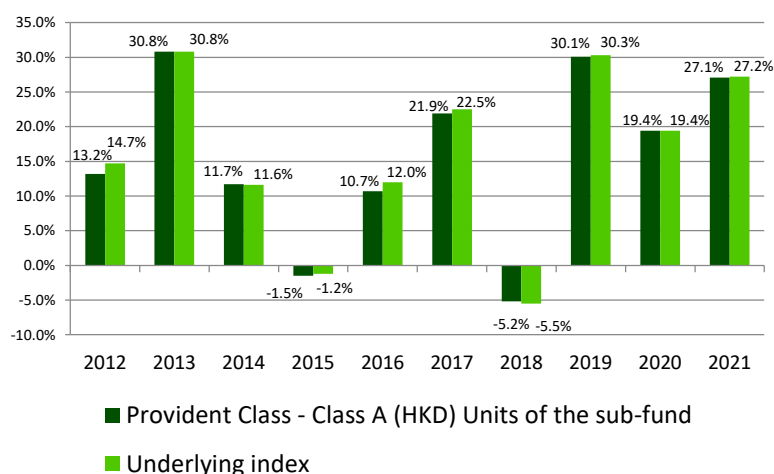
10. RMB currency and conversion risk relating to Retail Class (RMB) Units

- RMB is currently not freely convertible and is subject to exchange controls and restrictions. Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the sub-fund.
- 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.
- Under exceptional circumstances, payment of redemptions and/or distribution payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

11. Cross-class liability risk

Although for the purposes of fund accounting, different fees and charges will be allocated to each class, there is no actual segregation of liabilities between different classes of Units. As such, in the event of insolvency or termination of the sub-fund, i.e. where the assets of the sub-fund are insufficient to meet its liabilities, all assets will be used to meet the sub-fund's liabilities, not just the amount standing to the credit of any individual class of Units.

How has the sub-fund performed?



- 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 distributions reinvested.
- Provident Class – Class A (HKD) Units are selected as representative class because this class is mainly subscribed by Unitholders as at the date of this statement.
- These figures show by how much Provident Class – Class A (HKD) Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding initial charge and redemption charge you might have to pay.
- Provident Class – Class A (HKD) Units were launched in 2011. Provident Class – Class B (HKD) Units were launched in 2014. Investment Class (HKD) Units were launched in 2013. Retail Class (HKD) Units and Retail class (RMB) Units were launched in 2016. Retail Class (USD) Units were launched in 2020. Provident Administration Class (HKD) Units were launched in 2022.
- Only Provident Class – Class A (HKD) Units, Provident Class – Class B (HKD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units, Retail Class (HKD) Units, Retail Class (RMB) Units and Retail Class (USD) Units are currently available.

Is there any guarantee?

The sub-fund does not provide any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Summary of fees and charges for the units of the sub-fund is listed below.

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

Initial charge/Subscription fee

(i) Initial charge

(payable to Investment Manager)

Provident Class – Class A (HKD) Units: Nil

Provident Class - Class B (HKD) Units: Up to a maximum of 5% of the subscription monies

Provident Administration Class (HKD) Units: Currently waived, up to a maximum of 5% of the subscription monies

Investment Class (HKD) Units: Up to a maximum of 5% of the subscription monies

Retail Class (HKD) Units: Up to a maximum of 5% of the subscription monies

Retail Class (RMB) Units: Up to a maximum of 5% of the subscription monies

Retail Class (USD) Units: Up to a maximum of 5% of the subscription monies

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| (ii) Subscription fee (payable to Trustee) | Provident Class – Class A (HKD) Units: Nil Provident Class - Class B (HKD) Units: Nil Provident Administration Class (HKD) Units: Nil Investment Class (HKD) Units: Nil Retail Class (HKD) Units: Currently waived, up to a maximum of US\$5 for each subscription Retail Class (RMB) Units: Currently waived, up to a maximum of US\$5 for each subscription Retail Class (USD) Units: Currently waived, up to a maximum of US\$5 for each subscription |
| Switching fee (payable to Investment Manager) | Switching involving Provident Class – Class A (HKD) Units or Provident Class - Class B (HKD) Units or Provident Administration Class (HKD) Units and involving another sub-fund: Nil Switching involving Investment Class (HKD) Units, Retail Class (HKD) Units, Retail Class (RMB) Units or Retail Class (USD) Units and involving another sub-fund: 1% of the redemption proceeds, up to a maximum of 5% of the redemption proceeds Switching involving the sub-fund only (i.e. between different classes of units of the same sub-fund): Currently waived, up to a maximum of 5% of the redemption proceeds |
| Redemption charge/fee | |
| (i) Redemption charge (payable to Investment Manager) | Provident Class – Class A (HKD) Units: Nil Provident Class - Class B (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Provident Administration Class (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Investment Class (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Retail Class (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Retail Class (RMB) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Retail Class (USD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit |
| (ii) Redemption fee (payable to Trustee) | Provident Class – Class A (HKD) Units: Nil Provident Class - Class B (HKD) Units: Nil Provident Administration Class (HKD) Units: Nil Investment Class (HKD) Units: Nil Retail Class (HKD) Units: Currently waived, up to a maximum of US\$5 for each redemption Retail Class (RMB) Units: Currently waived, up to a maximum of US\$5 for each redemption Retail Class (USD) Units: Currently waived, up to a maximum of US\$5 for each redemption |

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.

| | <i>Annual rate (as a % of the sub-fund's net asset value)</i> |
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| Investment management fees (payable to Investment Manager) | Provident Class – Class A (HKD) Units: Nil Provident Class - Class B (HKD) Units: 0.3525%, up to a maximum of 2% Provident Administration Class (HKD) Units: 0.3525%, up to a maximum of 2% Investment Class (HKD) Units: 0.50%, up to a maximum of 2% Retail Class (HKD) Units: 0.65%, up to a maximum of 2% Retail Class (RMB) Units: 0.65%, up to a maximum of 2% Retail Class (USD) Units: 0.65%, up to a maximum of 2% |
| Trustee fee (payable to Trustee) | Provident Class – Class A (HKD) Units: 0.0875% (current and maximum) Provident Class - Class B (HKD) Units, Investment Class (HKD) Units, Retail Class (HKD) Units, Retail Class (RMB) Units, Retail Class (USD) Units : 0.125% on the first HK\$200 million; 0.10% on the next HK\$200 million; 0.0875% on the remaining balance; up to a maximum of 1% Provident Administration Class (HKD) Units: 0.45%, up to a maximum of 1% |
| Performance fee | All Classes: N/A |
| Administration fee | All Classes: N/A |

You should note that some fees may be increased, up to a specified permitted maximum, by giving unitholders at least three (3) months' prior notice.

Other fees

Please note that other fees and charges may also be deducted from the sub-fund. For details, please refer to section "Fees and Charges" on pages 74 to 81 of the Principal Brochure.

Additional Information

- You generally buy and/or redeem Units of the sub-fund at the sub-fund's next determined net asset value after the Investment Manager receives your request in good order on or before 5:00 p.m. (Hong Kong time) (the Dealing Deadline) on the relevant Dealing Day (which is generally Hong Kong Business Day (except Saturdays) or such other day or days as the Investment Manager and the Trustee may agree from time to time).
- Applications could also be placed through other authorized fund distributors or through other authorized means as may from time to time specified by the Investment Manager in the Investment Manager's website (www.boci-pru.com.hk) and different dealing procedures, such as earlier application or payment cut-off time may be involved. Applicants should consult the relevant fund distributors or the Investment Manager to find out the dealing procedures that are applicable to them.
- The net asset value per unit of the sub-fund is calculated and will be published on each Dealing Day in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.
- The past performance information of other class(es) of Units offered to Hong Kong investors is available on the Manager's website (www.boci-pru.com.hk).
- Other information of the sub-fund can be found at the Investment Manager's website (www.boci-pru.com.hk). Information contained in the website of the Investment Manager 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.