

PRODUCT KEY FACTS

BOCIP Hong Kong Value Fund

a sub-fund of
the BOCIP Asset Management Investment Funds

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

Fund Manager:	BOCI-Prudential Asset Management Limited (the “Manager”)
Trustee and Registrar:	BOCI-Prudential Trustee Limited
Ongoing charges over a year[#]:	<p><i>Class A – HKD Units:</i> 0.20% of the Net Asset Value of such class of Units</p> <p><i>Class A – RMB Hedged Currency Class Units:</i> 0.20% of the Net Asset Value of such class of Units</p>
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	Hong Kong Dollars
Distribution policy:	<ul style="list-style-type: none"> - The Manager intends to declare distributions on a quarterly basis and will declare an indicative per annum distribution rate for the relevant class of Units at the beginning of the calendar year. As a whole, distributions paid in that year shall be no less than the indicative per annum distribution rate, any change of such rate will require no less than one (1) month’s prior notice to Unitholders. - Distributions will normally be made out of net income received or receivable but the Manager may in its absolute discretion determine that distributions be paid out of the capital. Any distributions involving payment of distributions out of capital or payment of distributions effectively out of capital (as the case may be) may result in an immediate decrease in the Net Asset Value per Unit of the relevant class. - The Manager has the sole and absolute discretion to determine or vary the frequency and dates for distributions.
Financial year end:	31 December
Minimum investment:	<p><i>Class A – HKD Units:</i> Initial : HK\$10,000 Addition : HK\$10,000</p> <p><i>Class A – RMB Hedged Currency Class Units:</i> Initial : the RMB equivalent amount of HK\$10,000 Addition : the RMB equivalent amount of HK\$10,000</p>

[#] The ongoing charges figure is based on expenses of such class of Units for the period ended 31 December 2021. This figure may vary from year to year.

What is this product?

BOCIP Hong Kong Value Fund (the “Sub-Fund”) is a sub-fund under the BOCIP Asset Management Investment Funds, which is an umbrella unit trust established under the laws of Hong Kong. The Sub-Fund is an equity fund falling under Chapter 7 of the Code on Unit Trusts and Mutual Funds.

Objectives and Investment Strategy

The Sub-Fund seeks to provide investors with long term capital growth by investing primarily in equity securities listed or to be listed on the Stock Exchange of Hong Kong Limited (“SEHK”) (including H shares, shares of red-chip companies, shares of other companies, exchange traded funds (“ETFs”) (including ETFs managed by the Manager) and real estate investment trusts (“REITs”) listed on the SEHK) or listed equities issued by companies which have business or operations or interests in Hong Kong.

The equity securities in which the Sub-Fund may invest may also include securities listed on other stock exchanges including but not limited to stock exchanges in the United States, London or Singapore, such as ADRs (American depository receipts) and GDRs (global depository receipts).

The Manager will consider investment opportunities in all market capitalization ranges. The Manager will invest at least 70% of the Sub-Fund’s non-cash assets in equity securities so as to achieve the investment objectives of the Sub-Fund. In particular, the Manager would place particular emphasis on securities that are, in the opinion of the Manager, with attractive potential values. Cash or deposits may be considered when appropriate.

Stock selection is based on relative value analysis. The Manager will look for companies that offer growth potentials with good fundamentals and trading at reasonable valuations. These fundamental factors include, but not limit to, business strategy, management strength and financial positions.

The Sub-Fund currently does not invest in or have any exposure to any A shares and B shares listed on the stock exchanges in the PRC. If such investments are undertaken in the future, prior approval from the SFC is required and no less than one (1) month’s notice will be given to the Unitholders.

The Sub-Fund will only invest in structured deposits or structured products or other financial derivative instruments for hedging purposes only.

The Sub-Fund will not invest in debt instruments or bonds.

Currently, the Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar over-the-counter (“OTC”) transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one (1) month’s prior written notice engage in securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the Sub-Fund.

The Sub-Fund may increase its cash or cash equivalent holdings (including time deposits and money market instruments) (up to 100%) under exceptional circumstances, such as attempts to (i) protect the assets of the Sub-Fund; (ii) mitigate the risk of potential sharp reversals and fall in equity markets; (iii) mitigate downside risks during uncertainties; or (iv) maintain liquidity for the Sub-Fund.

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 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. 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. **Concentration risk**

- The Sub-Fund's investments mainly focus on equity securities listed or to be listed on the SEHK or listed equities issued by companies which have business or operations or interests in Hong Kong. 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 Hong Kong market.

5. **Value stock and company-specific risk**

- Stock selection is based on relative value analysis. The Manager will look for companies that offer growth potentials with good fundamentals and trading at reasonable valuations. Price of the security may go down even though in theory the price is already undervalued. Value stocks may perform differently from the market as a whole and may be undervalued by the market for a long period of time or may never be realized.
- Besides, the price development of the equities held by the Sub-Fund is affected by company-specific factors, for example, the issuer's business situation. If the company-specific factors deteriorate, the price of the respective security may go down significantly and for certain period of time, possibly even without regard to an otherwise generally positive market trend.

6. **Specific risks associated with investments in H shares and shares of red-chip companies listed on the SEHK**

- *Emerging market / PRC market risk*: Investing in the securities relating to the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market in particular.
- Investment in an emerging market, such as the PRC involves special risks and considerations. The Sub-Fund may be subject to risks in relation to economic, political, social and regulatory development in the PRC.

7. Risk in relation to distribution

- The indicative per annum distribution rate for the relevant class of Units each year may vary and may go up and down. The Manager retains the absolute discretion to determine or vary the frequency and dates for distribution.
- The Manager may in its absolute discretion determine that distributions be paid out of capital, or the Manager may, in its discretion, pay distributions out of the gross income while charging / paying all or part of the fees and expenses to / out of capital, resulting in an increase in distributable income for the payment of distributions and therefore, the Sub-Fund may effectively pay distributions out of capital. This may reduce the capital available for investment in future and may constrain capital growth.
- Payment of distributions 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 unit of the relevant class.
- The distribution amount and Net Asset Value of the Class A – RMB Hedged Currency Class Units may be adversely affected by differences in the interest rates of the reference currency of the Class A – RMB Hedged Currency Class Units 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 classes of Units.

8. Currency hedged class risk

- There is no assurance that any currency hedging strategy employed by the Manager will effectively eliminate the currency exposure of the Sub-Fund and Unitholders of the Currency Hedged Class may be exposed to currency exchange risk for non-hedged classes.
- If the counterparties of the instruments used for hedging purposes default, Unitholders of the Currency Hedged Class may be exposed to currency exchange risk on an unhedged basis and may therefore suffer further losses. Where hedging is undertaken, it may preclude Unitholders in the Currency Hedged Class from benefiting from an increase in the value of the Sub-Fund's base currency.
- Any cost and expenses arising from such hedging transactions will be borne by the Currency Hedged Class, which may be significant depending on prevailing market conditions.

9. RMB currency and conversion risks relating to Class A – RMB Hedged Currency Class 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 the investors' investments in the Sub-Fund. Although CNH and 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.

10. Risks relating to investment in ETFs

Investors should note that the market price of the units of an ETF traded on the SEHK is determined not only by the Net Asset Value of an ETF but also by other factors such as the supply of and demand for the units of the ETF in the SEHK. Therefore, there is a risk that the market price of the units of the ETF traded on the SEHK may diverge significantly from the Net Asset Value of the ETF.

11. Derivative instruments risk

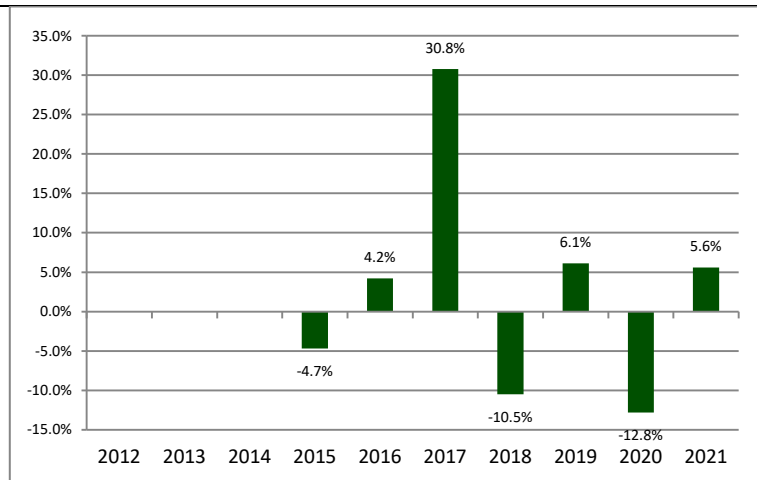
The Sub-Fund may use derivatives for hedging purposes. Derivatives may be more sensitive to changes in economic or market conditions and could increase the Sub-Fund's volatility. In adverse situation, the Sub-Fund's use of derivatives may become ineffective in hedging and the Sub-Fund may suffer significant losses. The use of derivatives may expose the Sub-Fund to various types of risk, including but not limited to, counterparty, liquidity, correlation, credit, volatility, valuation, settlement and over-the-counter transaction risks which can have an adverse effect on the Net Asset Value of the Sub-Fund.

12. 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.

13. Potential conflicts of interest

- The Sub-Fund may invest in ETFs managed by the Manager and this may give rise to potential conflicts of interests.
- Also, the Manager may promote, manage, advise or otherwise be involved in any other funds or investment companies while they act as the Manager of the Sub-Fund. Furthermore, the Manager and the Trustee are affiliated. Situation may arise where there are conflicts of interest between such entities. If such conflict arises, each of the Manager and the Trustee will have regard in such event to its obligations to the Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly.

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.
- 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 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.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Class A - HKD Units were launched in 2014. Class A - RMB Hedged Currency Class Units were launched in 2015.
- Only Class A Units (including Class A - HKD Units and Class A - RMB Hedged Currency Class 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?**Charges which may be payable by you**

You may have to pay the following fees when dealing in the Class A Units of the Sub-Fund.

Fee	What you pay
Initial charge	Up to 5% of the issue price of the relevant class of Units
Switching fee <i>(as a % of the issue price of the New Class of Units to be issued)</i>	For switching into a different class (denominated in a different currency) of Class A Units relating to the same Sub-Fund or switching into Class A Units of another Sub-Fund which is not a Money Market Sub-Fund (as defined in the Explanatory Memorandum): 1% For switching into Units of a Money Market Sub-Fund: Nil
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 Net Asset Value)
Management fee	1.8%, up to a maximum of 2%*
Trustee fee	<p><i>Class A – HKD Units:</i></p> <ul style="list-style-type: none"> - 0.125% on the first HK\$200 million of the Net Asset Value of such class of Units; - 0.10% on the next HK\$200 million of the Net Asset Value of such class of Units; - 0.0875% on the remaining balance of the Net Asset Value of such class of Units; <p><i>Class A – RMB Hedged Currency Class Units:</i></p> <ul style="list-style-type: none"> - 0.125% on the first RMB equivalent amount of HK\$200 million of the Net Asset Value of such class of Units; - 0.10% on the next RMB equivalent amount of HK\$200 million of the Net Asset Value of such class of Units; - 0.0875% on the remaining balance; <p>Subject to a minimum monthly fee of HK\$20,000 on the Sub-Fund and up to a maximum of 1%*</p>
Performance fee	Nil
Administration fee	Nil

* 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 expenses may also be deducted from the Sub-Fund. For details, please refer to the section “Fees and Expenses” on pages 9 to 11 of the Sixth Term Sheet and the section “Charges and Expenses” on pages 33 to 37 of the Explanatory Memorandum.

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 Manager receives your request in good order on or before 5:00pm (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 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 Manager in the 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 Manager to find out the dealing procedures that are applicable to them.
- The Net Asset Value per Unit of each class 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 classes of Units offered to Hong Kong investors is available on the Manager’s website (www.boci-pru.com.hk).
- Information of the Sub-Fund including the compositions of the distributions of the relevant class of Units (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Manager on request and can be found at the Manager’s website (www.boci-pru.com.hk). Information contained in the website of the 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.