中銀國際 BOC INTERNATIONAL PRUDENTIAL 英國保誠
中銀保誠資產管理 BOCI-Prudential Asset Management

PRODUCT KEY FACTS
BOCIP USD Short Duration Bond 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#:	0.98%
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	US Dollars
Distribution policy:	- Quarterly basis (by the end of March, June, September and December of each year, subject to the Manager's discretion) - 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.
Financial year end:	31 December
Minimum investment:	*Class A – USD Units:* Initial : the USD equivalent amount of HK$10,000 Addition : the USD equivalent amount of HK$10,000 *Class A – HKD Units:* Initial: HK$10,000 Addition: HK$10,000 *Class A – RMB Units:* Initial : the RMB equivalent amount of HK$10,000 Addition : the RMB equivalent amount of HK$10,000

The ongoing charges figure is based on expenses for the period ended 31 December 2021. This figure may vary from year to year. Since Class A Units (including Class A – USD Units, Class A – HKD Units and Class A – RMB Units) have the same fee structure, a single ongoing charges figure can be calculated and published.

What is this product?

BOCIP USD Short Duration Bond Fund is a sub-fund (the "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 a bond fund falling under Chapter 7 of the Code on Unit Trusts and Mutual Funds.

Objectives and Investment Strategy

The Sub-Fund seeks to achieve stable total return and capital growth by primarily investing in short duration bond markets. At least 70% of the Sub-Fund's non-cash assets will be invested in global investment grade debt securities. Such debt instruments may include fixed rate or floating rate debt securities such as government bonds, commercial papers, convertible bonds, bank certificate of deposit, negotiated term deposits, short-term bills and notes, which may be listed or unlisted. The issuers of the debt instruments include government, quasi-governmental bodies, banks, financial institutions or other corporate entities worldwide. Assets in the Sub-Fund will be denominated in USD primarily.

The Manager will adopt active management approach and based on interest rate market conditions and outlook, add value through credit selection, varying overall duration of the underlying assets of the Sub-Fund or varying allocation of assets in different parts of the yield curves. Duration of the underlying assets of the Sub-Fund in general will be relatively short, such that interest rate risk could be limited. The Sub-Fund may also gain excess return through investing in corporate debt securities.

The weighted average duration of the Sub-Fund's investments will generally not exceed 3 years. However, the Sub-Fund may purchase debt securities with remaining duration up to 10 years.

The Sub-Fund is not subject to any limitation on the portion of its net asset value that may be invested in any region or sector.

Up to 30% of the Sub-Fund's assets may be denominated in other major currencies such as euro (EUR), pound sterling (GBP), Japanese yen (JPY), Renminbi (RMB), Hong Kong dollar (HKD), Canadian dollar (CAD), Australian dollar (AUD) and New Zealand dollar (NZD).

For the purpose of the Sub-Fund,
(i) "investment grade" means, a minimum credit rating of Baa3 by Moody's Investor Services, Inc., or BBB− by Standard & Poor's Corporation or Fitch Ratings or an equivalent rating by other internationally recognised rating agencies; and
(ii) if a bond itself does not have a credit rating, the Manager will consider the credit rating of the issuer /guarantor of the bond, which will be deemed as the implied rating of the bond.

The Sub-Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features (LAP) including (i) non-preferred senior debt instruments or external LAC debt instruments or total loss-absorbing capacity debt instruments (TLAC) or Tier 3 debt instruments; and (ii) Tier 2 and additional Tier 1 debt securities which include contingent convertible debt securities. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

The Sub-Fund may invest up to 30% of the Sub-Fund's assets in SFC authorized collective investment schemes ("CISs") (including CISs managed by the Manager).

The Sub-Fund will not invest more than 10% of its Net Asset Value in:
(i) debt securities issued and/or guaranteed by a single permitted sovereign issuer (including its government, public or local authority) which is below investment grade; or
(ii) collateralised and/or securitised products (such as asset backed securities, mortgage backed securities and asset backed commercial papers).

The Sub-Fund may use financial derivative instruments for the purpose of hedging.

Under normal circumstances, up to 30% of Sub-Fund's assets could be invested in money market instruments, deposits or cash for liquidity management and ancillary basis. However, the Sub-Fund may increase its cash or liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills (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 the markets; (iii) mitigate downside risks during uncertainties; or (iv) maintain liquidity for the Sub-Fund.

Currently, the Manager has no intention to enter into securities lending transactions, repurchase agreements, reverse repurchase agreements or similar over-the-counter ("OTC") transactions on behalf of the Sub-Fund. With 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 (or such shorter period of notice as the SFC may approve) engage in securities lending transactions, repurchase agreements, reverse repurchase agreements or similar OTC transactions on behalf of 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. ***Interest rate risk***
   Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. The Sub-Fund may suffer a loss in disposing of fixed income securities before their maturity.

4. ***Credit / Counterparty risk***
   The Sub-Fund is exposed to the credit/default risk of issuers of the debt securities that the Sub-Fund may invest in.

5. ***Liquidity and volatility risks***
   - The markets for debt and fixed income instruments may be less liquid and more volatile and this may result in the fluctuation in the price of securities traded on such markets. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
   - Certain securities may be difficult or impossible to sell, and this would affect the Sub-Fund's ability to acquire or dispose of such securities at their intrinsic value.

6. ***Credit rating risk***
   Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

7. ***Downgrading risk***
   The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

8. Sovereign debt risk

The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

9. Valuation risk

Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.

10. 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. Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. Derivative instruments may involve an embedded leverage which can result in a loss significantly greater than the amount invested in derivatives by the Sub-Fund. Exposure to derivatives may lead to a high risk of significant loss by the Sub-Fund.

11. RMB currency and conversion risks

- 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' 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.
- The Sub-Fund may also be subject to bid/ offer spread and currency conversion costs when converting to and from US dollars and RMB.

12. Risk relating to those class(es) of units denominated in a currency other than the base currency

The Sub-Fund will be exposed to foreign exchange risk because Units can be subscribed and redeemed in a currency other than in US dollars which is the base currency of the Sub-Fund. The returns to investors for those class(es) of Units denominated in a currency other than the base currency may be different from the return calculated by reference to the base currency when converted back into the currency in which the investors subscribe and redeem due to fluctuations in the currency markets. The returns may go down and adversely impact the investors. The Sub-Fund will also be subject to bid/offer spread on currency conversion and transaction costs. Such foreign exchange risk may result in capital loss to the Sub-Fund and its investors.

13. Risk in relation to 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 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.

14. *Tax risk*

Dividends and certain interests or other income paid to the Sub-Fund may be subject to tax on trading profits or on certain securities transaction, transfer or stamp duty or withholding tax which may negatively impact on the Sub-Fund's performance and distributions (if applicable) that the Unitholders may receive from the Sub-Fund.

15. *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.

16. *Potential conflicts of interest*

- The Sub-Fund may invest in CISs 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.

17. *Risks of investing in other CISs/funds*

- Investors should be aware of the consequences of investing in other CISs/funds (the "underlying funds"). The Sub-Fund will be subject to the same type of risks in proportion to their holdings of those specific underlying funds.
- There may be additional costs involved when investing into these underlying funds. The Sub-Fund will bear the fees paid to the Manager and its other service providers as well as, indirectly, a pro rata portion of the fees paid by the underlying funds to the service providers of the underlying funds. If the Sub-Fund invests in underlying funds managed by the Manager, all initial charges on such underlying funds will be waived. Further, the management fees payable at the underlying fund(s)' level (which are directly attributable to the amount invested by the Sub-Fund) shall accordingly, be fully rebated in cash to the Sub-Fund.
- There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

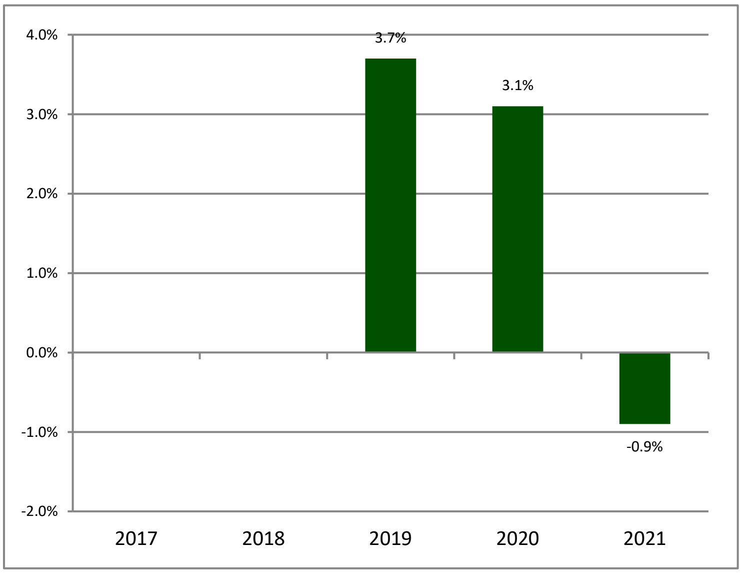
18. *Risk associated with instruments with loss-absorption features*

- Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- In the event of the activation of a trigger event, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

19. *Emerging market / PRC market risk*

Investing in emerging markets / the PRC market may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

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 – USD Units is 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 – USD Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD 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 – USD Units was launched in 2018. Class A – HKD Units and Class A – RMB Units were launched in 2021.
- Only Class A Units (including Class A – USD Units, Class A – HKD Units and Class A – RMB 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
Switching fee *(as a % of the issue price of the New Class of Units to be issued)*	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	0.75%, up to a maximum of 2%*
Trustee fee	0.125% on the first US$25 million; 0.10% on the next US$25 million; 0.0875% on the remaining balance; Subject to a minimum monthly fee of US$2,500 and up to a maximum of 1%*
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 7 to 9 of the Twelfth 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.