PRODUCT KEY FACTS
BOCIP China 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.***

- ***The Sub-Fund invests primarily in onshore debt securities denominated and settled in Renminbi (RMB) through its QI[1] status.***
- ***The Sub-Fund is denominated in Hong Kong Dollars (HKD) and not RMB. All subscriptions and redemptions are in HKD. The Manager shall remit HKD subscription money into Mainland China through a HKD foreign currency account opened with the QI Custodian and then convert the money into RMB for investment. The Sub-Fund involves currency conversion and therefore is subject to foreign exchange costs and currency conversion risk.***

Quick facts

Fund Manager and QI:	BOCI-Prudential Asset Management Limited (the "Manager")
Trustee and Registrar:	BOCI-Prudential Trustee Limited
Ongoing charges over a year#:	1.26%
QI Custodian:	Standard Chartered Bank (China) Limited
Dealing frequency:	Monthly, on the last Business Day[2] of each month
Base currency:	Hong Kong Dollars
Distribution policy:	The Manager does not intend to make any distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund and reflected in the value of Units of the relevant class of the Sub-Fund.
Financial year end:	31 December
Minimum investment:	Class C Units - Initial: HK$10,000 Addition: 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.

1 Under the prevailing rules and regulations in the PRC, Qualified Foreign Investors/ Qualified Investors or "QI" refers to foreign institutional investors who are approved as such, including Qualified Foreign Institutional Investors ("QFII") or RMB Qualified Foreign Institutional Investors (RQFII) previously approved, by the China Securities Regulatory Commission (CSRC) to invest in the PRC securities and futures markets with funds raised overseas.

2 "Business Day" means a day on which banks and stock exchanges in Hong Kong and the People's Republic of China ("PRC") are open for normal business or such other day or days as the Manager and the Trustee may agree from time to time. Notwithstanding the definition of "Business Day" in the Explanatory Memorandum of the BOCIP Asset Management Investment Funds, a different definition is adopted for "Business Day" for the BOCIP China Bond Fund.

What is this product?

- BOCIP China Bond 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 a bond fund falling under Chapter 7 of the Code on Unit Trusts and Mutual Funds.
- The Sub-Fund invests primarily (i.e. not less than 70% of its Net Asset Value) in onshore debt securities denominated and settled in RMB through its QI status.
- Only Class C Units of the Sub-Fund are currently available for subscription.

Objectives and Investment Strategy

The Sub-Fund seeks to provide investors with stable income and long-term capital appreciation by investing primarily (not less than 70% of its Net Asset Value) in onshore RMB denominated and settled debt and fixed income instruments which are traded on the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or the interbank bond market of Mainland China through its QI status. Such debt and fixed income instruments are issued by a variety of issuers such as government, quasi-government, banks, financial institutions or other corporate entities established or incorporated in Mainland China or corporate entities whose commercial activities are mainly carried out in Mainland China. Such debt and fixed income instruments may have credit ratings of BB+ or below (i.e. non-investment grade) as rated by internationally recognized credit agencies ("Non-investment Grade") and may be unrated or only rated by Chinese local credit rating agencies.

The Sub-Fund may also invest up to 30% of its Net Asset Value in offshore RMB denominated and settled debt instruments which are issued or listed outside Mainland China. Such debt instruments may include fixed rate or floating rate debt securities, government bonds, commercial papers, convertible bonds, bank certificate of deposit, negotiated term deposits, short-term bills and notes, which may be listed or unlisted, and may or may not be rated by rating agencies and may be of Non-investment Grade.

There is no minimum credit rating requirement in respect of debt and fixed income instruments invested by the Sub-Fund. If a bond itself does not have a credit rating as designated by rating agencies, the Manager will consider the credit rating of the issuer / guarantor, which will become the implied rating of the bond. If both the bond itself and the issuer / guarantor of the bond are not rated, the bond will be treated as unrated ("Unrated Bonds").

Up to 50% of the Sub-Fund's Net Asset Value may be invested in bonds which are of Non-investment Grade or have credit ratings of BB+ or below as designated by Chinese local credit rating agencies or Unrated Bonds.

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 will not invest more than 10% of its Net Asset Value in Urban Investment Bonds (城投債), which are debt instruments issued by local government financing vehicles ("LGFVs") and traded in the PRC exchange-traded bond markets and inter-bank bond market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for local development, public welfare investment or infrastructure projects.

The Sub-Fund will not invest more than 10% of its Net Asset Value in asset backed securities (including asset backed commercial papers) for investment purposes.

The Manager intends that the aggregate investment in Non-investment Grade or Unrated Bonds, Urban Investment Bonds and asset backed securities will not exceed 50% of the Sub-Fund's Net Asset Value.

Currently, the Sub-Fund will not insofar as the offshore investment is concerned invest in other sovereign debt securities other than the Sub-Fund's investment in sovereign debt securities of Mainland China.

In addition, the Sub-Fund may use futures contracts, options or forward currency transactions for the purposes of hedging against exchange rate risk Provided That such investments shall comply with the investment restrictions set out in Chapter 7 of the UTMF Code and the QI rules and regulations.

Unless otherwise stated above, the Manager has no current intention to invest in any financial derivative instruments (including structured products, deposits or instruments) for non-hedging or investment purposes or enter into securities lending transactions, repurchase/ reverse repurchase transactions or similar over-the-counter 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 (or such other period of notice as the SFC may approve) invest in any such instruments or enter into any such transactions.

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 bond 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. ***Foreign exchange and RMB currency and conversion risks***

- The base currency of the Sub-Fund is denominated in HKD, whilst its investments are primarily denominated in onshore RMB (CNY). The Sub-Fund's investment may also be denominated in offshore RMB (CNH). The Net Asset Value of the Sub-Fund may be affected unfavourably by fluctuations in exchange rates between these currencies and the base currency and by changes in exchange rate controls.
- 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.
- The Sub-Fund may be also be subject to bid/ offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.

3. ***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.

4. ***Single country and concentration risk***

- The Sub-Fund's investment are concentrated in Mainland China. 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 PRC market.

5. ***Risks associated with investment made through a QI regime***
   - The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change and such change may have potential retrospective effect.
   - The Sub-Fund may suffer substantial losses if the approval of the QI is being revoked/terminated or otherwise invalidated as the Sub-Fund may be prohibited from trading of relevant securities and repatriation of the Sub-Fund's monies, or if any of the key operators or parties (including QI custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).

6. ***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.

7. ***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.

8. ***Credit rating agency risk***
   The credit appraisal system in the Mainland China and the rating methodologies employed in the Mainland China may be different from those employed in other markets. Credit ratings given by Mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.

9. ***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.

10. ***Volatility and liquidity risk***
    - The RMB denominated debt securities in the PRC market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such market may be subject to fluctuations.
    - The bid and offer spread of the price of RMB debt securities may be large. Therefore, the Sub-Fund may incur significant trading and realisation costs and may suffer significant losses when selling such investments.

11. ***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.

12. ***Risks associated with debt securities which are of Non-investment Grade or Unrated Bonds***
    The Sub-Fund may invest in debt securities which are of Non-investment Grade or Unrated Bonds. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

13. ***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.

14. ***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.

15. *PRC tax risk*

- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via QI (or the then QFII) status on the Sub-Fund's investments in the PRC (which may have retrospective effect). Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.
- Based on professional and independent tax advice, the Sub-Fund currently will not make tax provisions on realised and/or unrealized capital gains derived from the investments in onshore RMB denominated and settled debt and fixed income instruments which are traded on the Shanghai Stock Exchange, the Shenzhen Stock Exchange and/or the interbank bond market of Mainland China.
- In light of Bulletin [2021] No. 34 on tax treatment for Overseas Institutional Investors ("OIIs") investing in China bond market dated 22 November 2021 jointly issued by the Ministry of Finance of the PRC ("MOF") and the State Taxation Administration of the PRC ("STA") specifying that the interest income of the bonds derived by OIIs in the China bond market is temporarily exempted from withholding income tax ("WHT") and value-added tax ("VAT") effective from 7 November 2021 to 31 December 2025, the Manager has, acting in accordance with independent professional tax advice, determined that it will not make WHT provision and VAT provision on the Sub-Fund's interest income derived from PRC debt instruments from 7 November 2018 onwards until 31 December 2025.
- If the Sub-Fund has greater tax liabilities in the PRC than provided for, any shortfall between the provision and actual tax liabilities will be debited from the Sub-Fund's assets and cause the Sub-Fund's Net Asset Value to be adversely affected. In this case, existing and subsequent investors will be disadvantaged as they will bear for a disproportionately higher amount of tax liabilities as compared to the liability at the time of investment in the Sub-Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made. In that case, investors who have already redeemed their Units in the Sub-Fund before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision.

16. *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.

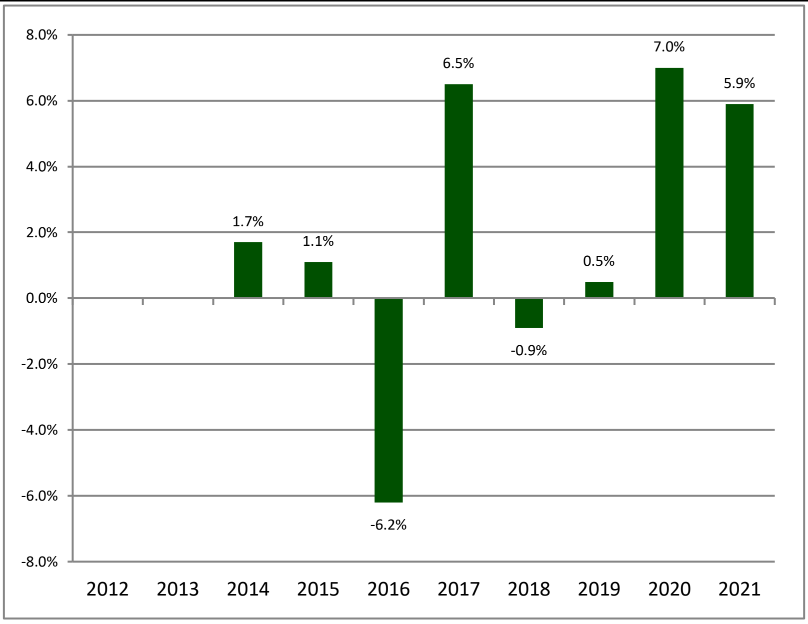
17. *Risk of conflicts of interests*

The Manager will assume dual roles as the manager of the Sub-Fund and the QI Holder. Also 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 the Sub-Fund is managed in the best interests of Unitholders and that such conflicts are resolved fairly.

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.

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.
- These figures show by how much the Sub-Fund 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.
- The Sub-Fund was launched in 2013.
- Only Class C 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?

At present, only Class C Units of the Sub-Fund will be offered for subscription by investors.

Charges which may be payable by you

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

Fee	***What you pay***
Initial charge	Up to 5% of the issue price
Switching fee	N/A (No switching is currently allowed)
Redemption charge	0% of the redemption proceeds, subject to a maximum of 6%* (inclusive of the administrative charge)

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%, up to a maximum of 2%*
Trustee fee	0.125% on the first HK$200 million; 0.10% on the next HK$200 million; 0.0875% on the remaining balance; Subject to a minimum monthly fee of HK$20,000 and up to a maximum of 1%*
Performance fee	Not applicable
QI Custodian Fee	0.035% per annum[3]

* 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 17 to 18 of the Second 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 5:00 p.m. (Hong Kong time) three (3) Business Days prior to each Dealing Day[4]. The Sub-Fund offers monthly dealing on the last Business Day of each month. Please refer to the Second Term Sheet for details.
- 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 the Sub-Fund is calculated and will be published monthly in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.
- Information of the Sub-Fund 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.

3 The QI Custodian Fee (excluding transaction fees and out-of-pocket expenses) is charged on a monthly basis on the market value of the securities portfolio held by the QI Custodian on behalf of the Sub-Fund, subject to a minimum monthly fee of US$500.

4 "Dealing Day" means the last Business Day at the end of each month on which the Net Asset Value per Unit of that class of Units is calculated. Notwithstanding the definition of "Dealing Day" in the Explanatory Memorandum of the BOCIP Asset Management Investment Funds, a different definition is adopted for "Dealing Day" for the BOCIP China Bond Fund.