PRODUCT KEY FACTS

BOCIP Flexi USD 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#:	1.01%
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	US Dollars
Distribution policy:	- Commencing from 2020, the Manager intends to declare distributions on a monthly basis and will declare an indicative per annum distribution rate for the relevant class of Units at the beginning of each 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:	*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 Flexi USD 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 aims at generating income and achieving long-term capital growth, by primarily (at least 70% of its Net Asset Value) investing in U.S. dollar ("USD") denominated and settled debt securities. Such debt instruments may include but are not limited to 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 governments, quasi-governmental bodies, banks, financial institutions or other corporate entities. The Sub-Fund's investments are not confined to any particular geographic region or market.

The Sub-Fund may invest in investment grade (as defined below) and/or non-investment grade debt and debt-related securities. The Sub-Fund may invest up to 70% of its Net Asset Value in debt securities that are below investment grade and/or unrated (as defined below).

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 or if the credit rating is only designated by a People's Republic of China (the "PRC") credit rating agency, a minimum credit rating of BBB−;

(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; and

(iii) if neither the debt security itself nor its issuer or guarantor is rated, the debt security will be classified as "unrated".

Up to 30% of the Sub-Fund's assets may be denominated in other currencies.

The Sub-Fund may 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 ("Dim Sum bonds") and onshore RMB denominated and settled debt instruments issued or distributed within Mainland China through Bond Connect only. Bond Connect is a mutual bond market access scheme between Mainland China and Hong Kong. Under the Northbound Trading of Bond Connect, eligible foreign investors can invest in the China interbank bond market.

The Sub-Fund may invest not more than 30% of its Net Asset Value in Urban Investment Bonds, which are debt instruments issued by local government financing vehicles ("LGFVs") and traded in the PRC exchange-traded bond markets and China interbank 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 and infrastructure projects.

The Sub-Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features including contingent convertible debt securities, senior non-preferred debt and subordinated additional Tier 1 and Tier 2 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 invest not more than 10% of its Net Asset Value in convertible bonds.

The Sub-Fund may invest up to 10% of its Net Asset Value in:

(i) debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade; or

(ii) collateralized and/or securitized products (such as asset backed securities, mortgage backed securities and asset backed commercial papers).

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) which will have similar investment objectives and/or strategies as the Sub-Fund.

The Sub-Fund may use financial derivative instruments for hedging purposes. Financial derivatives instruments may include but are not limited to credit default swaps, interest rate swaps, currency forward contracts, futures and options.

Under normal circumstances, up to 30% of Sub-Fund's assets could be invested in 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. 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. Credit rating risk/ Downgrading 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.
- 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.

6. 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.

7. Risks associated with debt securities rated below investment grade or unrated

The Sub-Fund may invest in debt securities rated below investment grade or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

8. 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.

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

- The Sub-Fund may invest in debt instruments with loss-absorption features including contingent convertible debt securities, senior non-preferred debt and subordinated additional Tier 1 and Tier 2 debt securities. These debt instruments are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions which may result in them being partly or wholly written off, 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).
- Such trigger events are likely to be outside of the issuer's control and commonly include a reduction in the issuer's capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer's ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the Sub-Fund.

10. ***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.

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 be 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. ***Risks associated with the Bond Connect and China interbank bond market***

The Sub-Fund may invest in debt securities through the Bond Connect and may be exposed to liquidity and volatility risks, as low trading volume of certain debt securities in the China interbank bond market may cause market volatility and potential lack of liquidity. These may result in prices of certain debt securities traded on such market fluctuating significantly. The bid and offer spread of the prices of such securities may be large, and the Sub-Fund may incur significant trading and realisation costs and may potentially suffer losses when disposing of such investments.

14. ***"Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks***

The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the Net Asset Value of the Sub-Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the CNH market by the relevant regulator(s).

15. Risk associated with urban investment bonds

Urban investment bonds are issued by LGFVs, such bonds are typically not guaranteed by local governments or the central government of the Mainland. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the Net Asset Value of the Sub-Fund could be adversely affected.

16. 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.

17. 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.

18. 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 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.

19. PRC tax risk

- There are risks and uncertainties associated with the current PRC tax rules and practices, the changes to which may have retrospective effect. Any increased tax liabilities on the Sub-Fund may adversely affect the Sub-Fund's value.
- Having taken and considered independent professional tax advice, the Manager has, acting in accordance with such advice, determined that it will not make PRC withholding income tax ("WHT") and value-added tax ("VAT") provision on the gross realized and unrealized capital gains from the disposal of PRC debt securities.
- Based on the prevailing PRC tax regulation, 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 onshore PRC debt instruments from now onwards until 31 December 2025. Pursuant to Bulletin [2021] No. 34 jointly issued by the PRC Ministry of Finance and the PRC State Taxation Administration, interest income derived by Overseas Institutional Investors investing in China bond market is temporarily exempted from WHT and VAT for the period from 7 November 2021 to 31 December 2025.

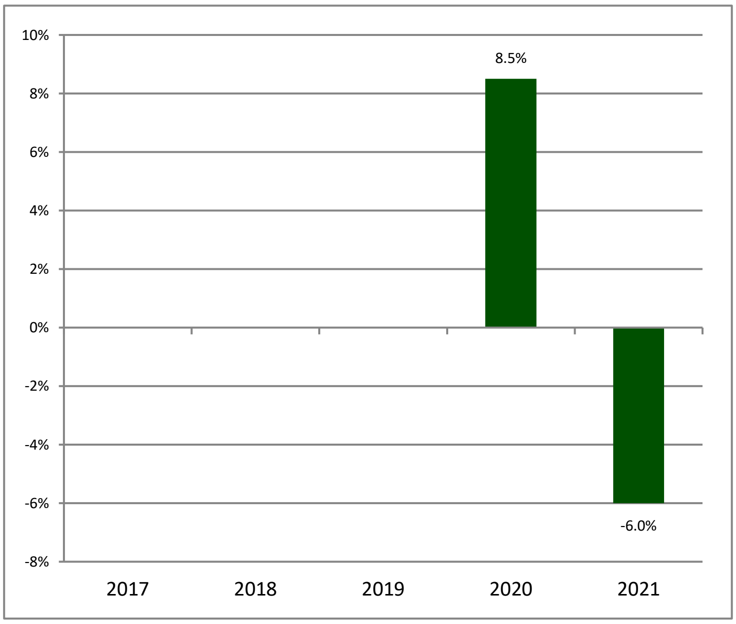
20. Cross-class liability risk

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.

21. 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.
- 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.

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 2019. 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 19 to 21 of the Thirteenth 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.