

PRODUCT KEY FACTS

BOCIP Asia Quality Equity 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[#]:	0.20%
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	US Dollars
Distribution policy:	<ul style="list-style-type: none"> - 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 by the Sub-Fund but the Manager may in its absolute discretion determine that distributions be paid out of the capital of the Sub-Fund. 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.
Financial year end:	31 December
Minimum investment:	Initial : the USD equivalent amount of HK\$10,000 Addition : the USD equivalent amount of HK\$10,000

[#] 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 Asia Quality Equity 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 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 primarily (at least 70% of its non-cash assets) investing in equities and equity-related securities (including exchange traded funds ("ETFs")) which are (i) listed on the various stock markets in Asia including those in the People's Republic of China ("PRC"), Hong Kong, Indonesia, Malaysia, Philippines, Singapore, South Korea, Thailand and Taiwan and/or (ii) companies based in Asian jurisdictions or companies based in non-Asian jurisdictions but which invest or operate in Asia (including ADRs (American depository receipts) and GDRs (global depository receipts) listed on various stock exchanges).

The Sub-Fund seeks to invest no less than 70% of its Net Asset Value in equities of companies which, in the reasonable opinion of the Manager, are of good quality and possess satisfactory investment characteristics according to at least one of the following five (or similar) criteria: above market average growth potential, relatively high stability, attractive valuation, satisfactory dividend yield, and positive sentiment. The ratio of stocks that satisfies each of these five (or similar) criteria fluctuates over time, with the relative importance of an individual criterion varying according to the market cycle and is determined by the Manager's judgment. Based on its qualitative and quantitative assessment, the Manager uses its selection methodology as well as its own judgment and experience in managing investment portfolios to construct a portfolio that seeks to achieve the above objectives. The Sub-Fund will consider investment opportunities in all market capitalization ranges.

The Sub-Fund may invest (a) up to 30% of its Net Asset Value in A shares ((i) directly through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect; and/or (ii) indirectly through investment in ETFs listed on the Stock Exchange of Hong Kong Limited ("SEHK") (which may be physical or synthetic ETFs) (including ETFs managed by the Manager) and/or SFC authorised collective investment schemes ("CISs") (including CISs managed by the Manager)); and/or (b) up to 5% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are collectively referred to as "Shanghai and Shenzhen Connect" hereinafter below. Each of Shanghai and Shenzhen Connect is a securities trading and clearing linked programme with an aim to achieve mutual stock market access between Mainland China and Hong Kong.

The Sub-Fund's aggregate exposure to A shares and B shares will not exceed 35% of its Net Asset Value.

The Sub-Fund's investment in each ETF will not exceed 10% of its Net Asset Value. The aggregate investment in ETFs will not exceed 30% of the Sub-Fund's Net Asset Value.

The Sub-Fund's aggregate investment in SFC authorized CISs and its investment in each SFC authorised CIS will not exceed 30% of its Net Asset Value.

The Sub-Fund will only invest in structured deposits or structured products or other financial derivative instruments such as futures contracts, warrants, options or forward currency transactions for hedging purposes only.

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

Cash or deposits may be considered when appropriate.

The Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar 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 (or such shorter period of notice as the SFC may approve) 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. Risk associated with investment strategy

In constructing the portfolio for the Sub-Fund, the Manager will make use of and rely on its internal qualitative and quantitative assessment process to select companies which, in the reasonable opinion of the Manager, are of good quality and possess satisfactory investment characteristics. In such process, the Manager will make its own judgement based on its experience and research findings. There is no assurance that the qualitative and quantitative assessment process will be effective, or the judgement or research findings of the Manager will assist the Sub-Fund to achieve its investment objective. Further, if the performance of companies which are not selected by the Manager out-performs those which are selected by the Manager, the performance of the Sub-Fund may fall below market average, and the Sub-Fund's value may be adversely affected. In such case, the Sub-Fund will not be able to provide investors with long-term capital growth or achieve its investment objective.

3. 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 the currency of the underlying investments and the base currency and by changes in exchange rate controls.

4. 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.

5. Emerging market risk / PRC market risk

- The Sub-Fund invests in the Asian markets which may be considered as emerging markets. This 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.
- Investing in the securities relating to the PRC is subject to the risks of investing in emerging market generally and the risks specific to the PRC market in particular.

6. Concentration risk

- The Sub-Fund's investments are concentrated in Asia. 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 Asian markets.

7. Risks associated with Shanghai and Shenzhen Stock Connect

The relevant rules and regulations on Shanghai and Shenzhen Stock Connect are subject to change which may have potential retrospective effect. Each of Shanghai and Shenzhen Stock Connect is subject to a Daily Quota which does not belong to the Sub-Fund and can only be utilized on a first come, first served basis. Where a suspension in the trading through the programme is effected, the Sub-Fund's ability to invest in A shares or access the PRC market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

8. Risk associated with high volatility of the equity market in Mainland China

High market volatility and potential settlement difficulties in the Mainland China equity market may result in significant fluctuations in the prices of the securities traded on such market and thereby may have an adverse impact on the Sub-Fund.

9. Risk associated with regulatory/exchanges requirements/policies of the equity market in Mainland China

Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Sub-Fund.

10. RMB currency and conversion risks

- Underlying investments of the Sub-Fund may be denominated in currencies (e.g. RMB (specifically offshore RMB (CNH) or onshore RMB (CNY))) other than the base currency of the Sub-Fund (i.e. USD). 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.
- 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 USD) 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 also be subject to bid/offer spread and currency conversion costs when converting to and from US Dollars and RMB.

11. 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.

12. PRC tax risk

- Based on professional and independent tax advice, the Sub-Fund currently will not make the following tax provision (i.e. 10% withholding income tax provision on realised and/or unrealised capital gains from trading of A shares by the Sub-Fund in investing in A shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect).

- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect on the Sub-Fund's investments in the PRC. Any future changes in the taxation policies in respect of the Sub-Fund's investment in A shares in the PRC will impact on the Sub-Fund's returns. It is possible that any future announcement by the PRC tax authority may subject the Sub-Fund to unforeseen tax obligations, which may have retrospective effect.

13. 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 units of the ETF traded on the SEHK may diverge significantly from the Net Asset Value of the ETF.

14. Derivative instruments risk

The Sub-Fund may use derivatives (e.g. forward contracts) 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.

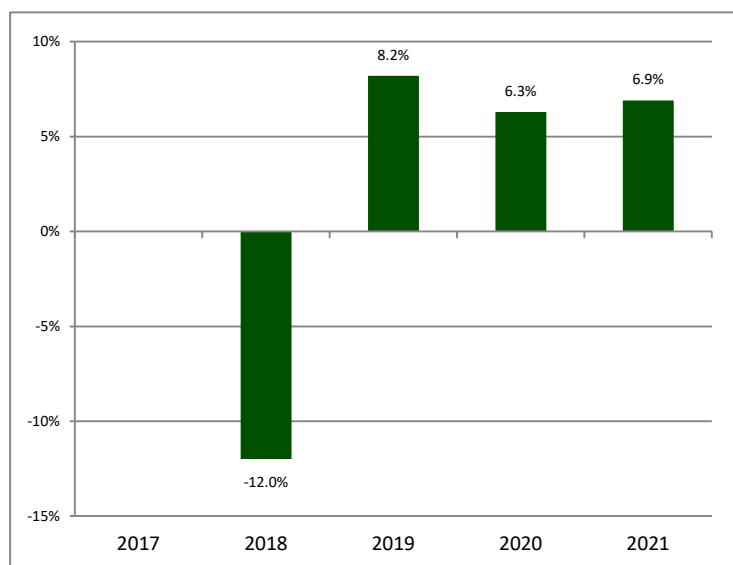
15. Risk in relation to distribution

- The Manager may in its absolute discretion determine that such 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 Sub-Fund's fees and expenses to / out of capital, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. This may reduce the capital that the Sub-Fund has 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.

16. Potential conflicts of interest

- The Sub-Fund may invest in ETFs and/or 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.

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 2017.
- Only Class A 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 Units of a 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.

	<i>Annual rate (as a % of the Net Asset Value)</i>
Management fee	1.5%, 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 9 to 10 of the Eleventh 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 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.
- Information of the Sub-Fund including the compositions of distributions (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.