

## PRODUCT KEY FACTS

### BOCIP Japan Small & Mid Cap Opportunity 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

<b>Fund Manager:</b>	BOCI-Prudential Asset Management Limited (the “Manager”)
<b>Trustee and Registrar:</b>	BOCI-Prudential Trustee Limited
<b>Ongoing charges over a year<sup>#</sup>:</b>	0.18%
<b>Dealing frequency:</b>	Daily (Hong Kong business days, other than Saturdays)
<b>Base currency:</b>	Hong Kong Dollars
<b>Distribution policy:</b>	The Manager does not intend to make distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund.
<b>Financial year end:</b>	31 December
<b>Minimum investment:</b>	Initial : HK\$10,000 Addition : HK\$10,000

<sup>#</sup>The ongoing charges figure is based on expenses for the period ended 31 December 2021. This figure may vary from year to year.

#### What is this product?

BOCIP Japan Small & Mid Cap Opportunity 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 small and medium-sized companies which are domiciled in Japan or are engaged in commercial activities in Japan. These companies generally refer to companies whose market capitalization form the bottom half of total market capitalization in Japan. The Sub-Fund will not focus on specific industries or sectors.

The equities and equity-related securities (including warrants, convertible securities, ADRs (American depository receipts) and GDRs (global depository receipts)) issued by or linked to these Japan companies may be listed on various stock exchanges including but not limited to stock exchanges in Japan, the United States, London or Singapore.

Under normal circumstances, the Manager will invest at least 70% of the non-cash assets of the Sub-Fund in the equities and equity-related securities issued by or linked to the small and medium-sized Japan companies. The Sub-Fund may also invest up to 30% of its assets in equities and equity-related securities issued by Japan companies with large capitalization. The Manager may also hold up to 30% of the Net Asset Value of the Sub-Fund in cash or deposits.

The Manager believes that long term capital growth will base on individual company's earnings performance and growth prospects under different economic conditions. The Sub-Fund will target to identify stocks with good fundamentals, sustainable earnings performance and relatively attractive valuations to maximize the risk-adjusted return. Fundamental factors may include business strategies, management strength and financial position. Reference will be made to factors including, but not limited to, book value, return on equity, cash flow, etc.

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.

The Manager has no current intention to enter into securities lending transactions, 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 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 certain 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 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. Single country and concentration risk

- The Sub-Fund's investments mainly focus on business related to the economic growth or development of Japan. 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 Japan market.

### 4. Market risk

Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation etc. which may have significant impact on the value of the investments. Options, warrants and derivatives in the Sub-Fund may also expose the Sub-Fund significantly to the fluctuations in the market. Market movement may result in substantial fluctuation in the Net Asset Value per unit of the Sub-Fund.

### 5. Risks related to Japan market

- Small and medium-sized companies invested by the Sub-Fund are listed mainly on the first sections of Tokyo, Osaka and Nagoya stock exchanges. However, the Sub-Fund may also invest in companies listed on the second sections and emerging equity markets such as MOTHERS (Market of the high-growth and emerging stocks) and JASDAQ, which could be very volatile. It should be noted that the admission requirements for the second sections of Tokyo, Osaka and Nagoya stock exchanges and emerging equity markets such as MOTHERS and JASDAQ are less stringent than those for the first sections of the three major stock exchanges. The second sections at present include stocks of Japanese companies with market capitalization of less than 2 billion Japanese Yen and tradable shares of less than 10,000 units and the companies listed on MOTHERS and JASDAQ are the growing or emerging small-to-midsize companies.
- Companies listed on one of the second sections of the three major stock exchanges or emerging equity markets often have a shorter proven track record than those listed on one of the first sections. Corporate disclosure is also likely to be less detailed and such companies often report more volatile earnings.
- The shares traded on the second sections of the three major stock exchanges and emerging equity markets can become illiquid. Generally, illiquid stocks may suffer from greater price volatility and wide spreads are common between the bid and offer prices.

### 6. Risk associated with small-capitalization/mid-capitalization companies

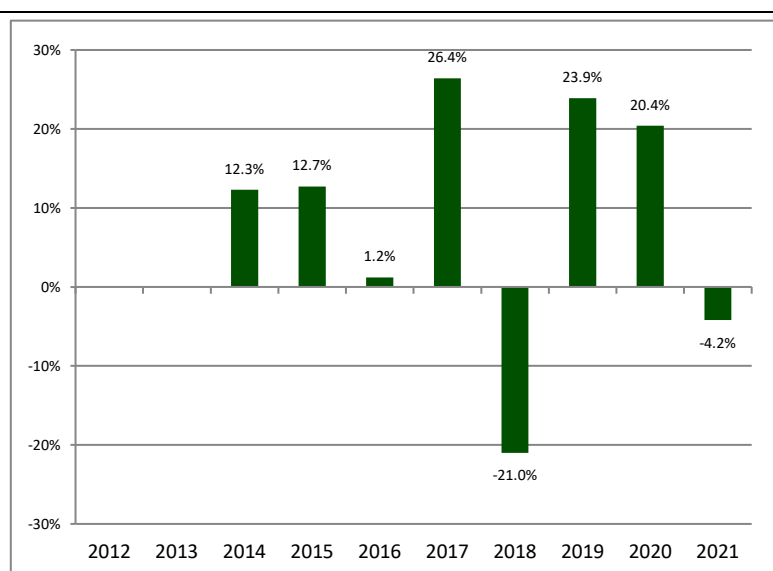
The stocks of small-capitalisation/mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

**7. Tax risk**

Dividends and certain interests or other income paid to the Sub-Fund or realized gains from the sale of securities in some markets may be subject to tax, levies, duties, transfer or stamp duty, withholding tax or other fees or charges imposed by the authorities of the markets in which the Sub-Fund invests. This may negatively impact on the Sub-Fund's performance and distributions (if applicable) that the Unitholders may receive from the Sub-Fund. Where appropriate and necessary, tax advice has been obtained. The Sub-Fund does not currently intend to make any provision for any potential tax liability. In case of uncertainty, the Manager will decide whether tax provision will be made in respect of the Sub-Fund for any tax obligation based on independent tax advice obtained.

**8. 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 OTC transaction risks which can have an adverse effect on the Net Asset Value of the Sub-Fund.

**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 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.

<b>Fee</b>	<b>What you pay</b>
<b>Initial charge</b>	Up to 5% of the issue price
<b>Switching fee</b> <i>(as a % of the issue price of the New Class of Units to be issued)</i>	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
<b>Redemption charge</b>	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.

	<b>Annual rate (as a % of the Net Asset Value)</b>
<b>Management fee</b>	Currently 1.8%, may be increased up to 2%*
<b>Trustee fee</b>	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%*
<b>Performance fee</b>	Nil
<b>Administration fee</b>	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 6 to 7 of the Third 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](http://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 can be found at the Manager's website ([www.boci-pru.com.hk](http://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.