

## Important Notes:

- Investment involves risks and BOCIP China Value Fund (the "Sub-Fund") may not be suitable for everyone. Past performance is not indicative of future performance. The Sub-Fund is subject to market and exchange rate fluctuations and to the risks inherent in all investments. Price of Units and the income (if any) generated from the Sub-Fund may go down as well as up. Investors could face no returns and/or suffer significant loss related to the investments. There is no guarantee in respect of repayment of principal.
- The key risks to which the Sub-Fund is subject to include: general investment risk, currency risk, value stock risk, emerging market/People's Republic of China ("PRC") market risk, single country and concentration risk, equity market risk, risk associated with high volatility of the equity market in Mainland China, risk associated with regulatory/exchanges requirements/policies of the equity market in Mainland China, risks relating to investment in exchange traded funds ("ETFs"), investment in equity linked instruments ("ELIs"), risks associated with Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively "Shanghai and Shenzhen Connect"), PRC tax risk, currency hedged class risk, RMB currency and conversion risks, risk relating to those class(es) of units denominated in a currency other than the base currency, risk in relation to distribution, cross-class liability risk, potential conflicts of interest and derivative instruments risk.
- Investing in emerging markets/the PRC market may involve increased risks and special considerations not typically associated with investment in more developed markets.
- The relevant rules and regulations on Shanghai and Shenzhen Connect are subject to change which may have potential retrospective effect. Each of Shanghai and Shenzhen Connect is subject to a set of Daily Quota, which does not belong to the Sub-Fund and can only be utilized on a first-come-first serve 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.
- As the Sub-Fund may invest in A shares through ELIs, the Sub-Fund is therefore exposed to the risks relating to investment in ELIs:
  - Credit risk: If any one of the ELIs issuers fails to perform its obligations under the ELIs, the Sub-Fund may suffer losses potentially equal to the full value of the instrument issued by the relevant issuer. Any loss would result in the reduction in the Net Asset Value of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective.
  - Illiquidity risk: There may not be an active market for those ELIs which are not listed or quoted on a market. Even if the ELIs are quoted, there is no assurance that there will be an active market for them. Therefore investment in ELIs can be highly illiquid.
  - Qualified Foreign Investors/Qualified Investors or QI ("QI") risk: The Sub-Fund's exposure to the PRC market via ELIs depends on the ability of the QI to buy and sell A shares. Any restrictions or any changes in the QI laws and regulations may adversely affect the issuance of ELIs and impair the ability of the Sub-Fund to achieve its investment objective.
- The Sub-Fund is subject to 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 Shanghai and Shenzhen Connect or ELIs on the Sub-Fund's investments in the PRC. Any future changes in the taxation policies in respect of QI's or 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.
- The Manager will normally make distributions out of net income received or receivable. However, in the event that the net income is insufficient to pay the distributions that it declares, the Manager may also, in its absolute discretion, determine that distributions be paid out of capital, or the Manager may, in its discretion, pay distributions out of the 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.
- Investors should be aware that in circumstances where distributions are paid out of capital or effectively out of capital, this amounts to a return or withdrawal of part of the amount investors originally invested or from any capital gains attributable to that original investment. 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 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. The indicative per annum distribution rate each year may vary and may go up and down. The Manager has the sole and absolute discretion to determine or vary the frequency and dates for distributions.
- Please refer to the offering document of the Sub-Fund for further details including investment objectives and policies, charges and expenses, and risk factors (especially for the parts relating to the Shanghai and Shenzhen Connect, ELIs and QI), before making any investment decision.



## BOCIP Asset Management Investment Funds

## BOCIP CHINA VALUE FUND

### INVESTMENT OBJECTIVES AND POLICIES

The BOCIP China Value Fund seeks to achieve long term capital growth by investing primarily in securities issued by or linked to companies which activities and business are closely related to the economy of the PRC.

The Manager will consider investment opportunities in all market capitalization ranges. The Manager would place particular emphasis on and will invest at least 70% of its non-cash assets in securities that are, in its opinion, with attractive values and investment in such securities will achieve the investment objectives of the Sub-Fund. Stock selection is based on "intrinsic valuation matrix" which seeks to identify companies with growth potentials, good fundamentals and/or attractive valuations. Fundamental factors may include business strategy, management strength and financial position. The Sub-Fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised collective investment schemes ("CISs") (including CISs managed by the Manager) and/or ETFs listed on the Stock Exchange of Hong Kong Limited ("SEHK") (including ETFs managed by the Manager). The Sub-Fund may also invest (a) up to 20% of its Net Asset Value in A shares (i) directly through the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect; and/or (ii) indirectly through investment in ELIs (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with QI status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager); and/or (b) up to 15% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China. The aggregate exposure to the A shares and B shares market will not exceed 20% of the Sub-Fund's Net Asset Value.

◆ The Sub-Fund is approved as "Eligible Collective Investment Scheme" under "Capital Investment Entrant Scheme" ("CIES") of Hong Kong Special Administrative Region ("HKSAR"). The HKSAR Government has announced that the CIES has been suspended with effect from 15 January 2015 until further notice. The Immigration Department of HKSAR ("Immigration Department") will continue to process applications received on or before 14 January 2015, whether already approved (including approval-in-principle and formal approval) or still being processed. For further details and the related Frequently Asked Questions, please visit the website of the Immigration Department at [http://www.immd.gov.hk/eng/services/visas/capital\\_investment\\_entrant\\_scheme.html](http://www.immd.gov.hk/eng/services/visas/capital_investment_entrant_scheme.html).

## MANAGER'S COMMENT<sup>##</sup>

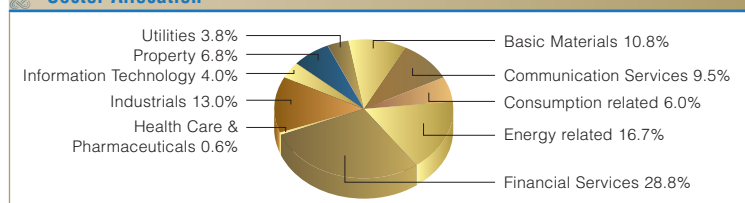
- China's macro data of November shows both domestic and external demand remained on a weakening trend. Weakness in economic activity was broad-based amid the extended Covid disruptions.
- Meanwhile, the expectations of more pro-growth and reopening measures from the Politburo meeting and Central Economic Work Conference extended the positive sentiment and supported inflows to the market during the early period of December.
- However, the abruptly dismantle of Covid Zero policy by Beijing and the explosion in Covid infections across major cities thereafter overwhelmed the market. Market was in a new round of profit taking with small and mid cap stocks and growth factor suffered the major hit against such backdrop. Overall, Health Care and market reopening theme were the major market movers in the month.
- National Health Commission announced to downgrade the management of Covid from Category A to Category B starting 8th January 2023. The earlier than expected border reopening will likely speed up the pace of economic restoration in the year. The upcoming waves of infection as we have seen in the reopening of other major economies are expected to weigh on China's economic activities in the 1H of 2023.
- The peak off of the current infection wave and pickup of mobility ahead of the CNY holidays will likely uplift sentiment and support inflows into the market in the near term.

		Cumulative Performance in the Currency of the Relevant Class of Units [Gross Distribution Reinvested] <sup>ΔΔ</sup>						Calendar Year Performance in the Currency of the Relevant Class of Units <sup>ΔΔ</sup>				
Class A		3 Months <sup>#</sup>	Year to date <sup>#</sup>	1 Year <sup>#</sup>	3 Years	5 Years	Since Inception <sup>#</sup>	2018	2019	2020	2021	2022
	HKD Units	11.46%	-5.68%	-5.68%	-13.20%	-16.36%	-0.12%	-11.91%	9.40%	-8.63%	0.72%	-5.68%
	RMB Hedged Currency Class Units	10.26%	-4.74%	-4.74%	-8.15%	-6.14%	12.19%	-8.70%	11.93%	-6.98%	3.65%	-4.74%
	RMB Units	8.79%	2.51%	2.51%	-13.92%	-10.98%	16.93%	-7.21%	11.45%	-14.36%	-1.95%	2.51%
	USD Units	-	-	-	-	-	-	N/A	N/A	N/A	N/A	N/A

## Top 10 Holdings

1	CHINA RESOURCES LAND LTD	4.6%	6	PING AN INSURANCE GROUP CO-H	3.0%
2	BANK OF CHINA LTD-H	3.1%	7	YANKUANG ENERGY GROUP CO-H	3.0%
3	CITIC SECURITIES CO LTD-H	3.1%	8	CHINA OILFIELD SERVICES-H	2.9%
4	CHINA NATIONAL BUILDING MA-H	3.1%	9	CHINA PETROLEUM & CHEMICAL-H	2.9%
5	BANK OF COMMUNICATIONS CO-H	3.0%	10	CHINA MOBILE LTD	2.9%

## Sector Allocation<sup>†</sup>



## Recent 12 months Distribution<sup>ΔΔ</sup> History

Record Date	HKD Units		RMB Hedged Currency Class Units	
	Distribution Per Unit <sup>Δ</sup>	Fund Price on Record Date	Distribution Per Unit <sup>Δ</sup>	Fund Price on Record Date
31-Dec-22	0.0687	5.4940	0.1087	7.2462
30-Sep-22	0.0624	4.9919	0.1001	6.6727
30-Jun-22	0.0758	6.0584	0.1203	8.0196
31-Mar-22	0.0788	6.3020	0.1249	8.3222

## Fund Data (Class A)

Investment Manager	Marvin Wong & Team			
Fund Size (Million)	HKD 885.21			
Inception Date	Class A – HKD Units 21 January 2011	Class A – RMB Hedged Currency Class Units 30 October 2015	Class A – RMB Units 23 February 2016	Class A – USD Units 29 July 2022
Base Currency	HKD			
Currency Class	HKD / RMB / USD			
Management Fee (p.a.)	1.8% of the net asset value p.a. of the relevant class of Units, up to a maximum of 2%*			
Initial Charge	Up to 5% of the issue price of the relevant class of Units			
Switching Fee	1% <sup>Δ</sup> of the issue price of the New Class of Units to be issued or Nil <sup>ΔΔ</sup>			
Distribution	Aim to make distributions quarterly <sup>†</sup> (Distributions may be paid out of capital. Please note points 7 & 8 of Important Notes)			
NAV per unit	HKD 5.4940	RMB 7.2462	RMB 4.8702	USD 0.7039
12 months NAV <sup>††</sup>	Highest: HKD 6.5006 Lowest: HKD 4.3602	RMB 8.5653 RMB 5.8183	RMB 5.2656 RMB 4.0716	USD – USD –
Risk Level <sup>♦</sup>	High			
Morningstar Overall Rating <sup>™</sup>	Class A – HKD Units: ★★★	Class A – RMB Hedged Currency Class Units: –	Class A – RMB Units: ★★★	Class A – USD Units: –
Standard Deviation	Class A – HKD Units: 24.46%	Class A – RMB Hedged Currency Class Units: 24.21%	Class A – RMB Units: 21.72%	Class A – USD Units: –
Bloomberg Tickers	Class A – HKD Units: BOCCHVI HK EQUITY	Class A – RMB Hedged Currency Class Units: BOCCRH HK EQUITY	Class A – RMB Units: BOCCRMA HK EQUITY	Class A – USD Units: BOCCHAR HK EQUITY
ISIN Codes	Class A – HKD Units: HK0000074358	Class A – RMB Hedged Currency Class Units: HK0000270907	Class A – RMB Units: HK0000286598	Class A – USD Units: HK0000868361

The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 0.0% of the Sub-Fund's fund size.

<sup>#</sup> 3-Months, Year-to-Date and Since-Inception performance of the Sub-Fund's Class A- USD Units will be shown from February 2023 Issue, while 1-Year performance will be shown starting from August 2023 Issue.

<sup>##</sup> The manager's comment above solely reflects the opinion, view and interpretation of the fund managers as of the date of issuance of this document. Investors should not solely rely on such information to make any investment decision.

<sup>ΔΔ</sup> Past performance is not indicative of future performance. Price of Units and the income (if any) generated from the relevant class of Units of the Sub-Fund may go down as well as up. Fund performance is calculated in the currency of the relevant class of Units of the Sub-Fund on a NAV-to-NAV basis with gross distribution reinvested. The data for "Standard Deviation" and "Morningstar Overall Rating<sup>™</sup>" will not be shown for classes of Units of the Sub-Fund with less than 3-year history. "Standard Deviation", a risk measurement, is based on the monthly return of the relevant class of Units of the Sub-Fund over the past 3 years in the currency of the relevant class of units.

<sup>†</sup> With effect from 17 December 2018, sector classification methodology for the Sub-Fund has been updated slightly. Accordingly, the sector allocation has been restructured and the sector named "Telecom" has been replaced by "Communication Services".

<sup>††</sup> "Net Liquidity" was formerly named as "Cash & Deposit".

<sup>Δ</sup> The Manager intends to declare distributions to Unitholders on a quarterly basis, by the end of March, June, September and December respectively. The Manager has the sole and absolute discretion to determine or vary the frequency and dates for distributions. Please refer to the Manager's website for 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). Investors should note that the distribution amount and/or rate of a particular class of Units may be more than or less than such amount and/or rate of the other class(es) of Units due to various factors, including but not limited to short-term interest rate differentials. Furthermore, the compositions of the distributions of a particular class of Units (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) may not be the same as that of the other class(es) of Units.

<sup>Δ</sup> As of the respective Record Date, there were no Unitholders of the Class A – RMB Units and Class A – USD Units of the Sub-Fund. Therefore, no distribution history is available.

<sup>\*</sup> The Manager may increase the rate of management fee, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice.

<sup>Δ</sup> 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).

<sup>ΔΔ</sup> For switching into units of a Money Market Sub-Fund.

<sup>††</sup> 12 Months Highest/Lowest NAV per Unit was calculated by reference to the NAV per Unit on each month's last dealing day.

<sup>♦</sup> Risk levels are categorized into low, low to medium, medium, medium to high and high. The risk levels are determined by BOCI-Prudential Asset Management Limited based on the investment mix of each Sub-Fund and/or its underlying investments, and represent only the views of BOCI-Prudential Asset Management Limited in respect of the relevant Sub-Fund. Such risk levels are for reference only and should not be regarded as investment advice. You should not rely on the risk levels only when making any investment decision. The risk level is determined based on data as at 31 December 2021 and will be reviewed and (if appropriate) updated at least annually without prior notice, taking into account the prevailing market circumstances. If you are in doubt about the information of risk level, you should seek independent financial and professional advice.

<sup>†</sup> Data Source – © 2022 Morningstar, Inc. All Rights Reserved.

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