中銀國際 BOC INTERNATIONAL
PRUDENTIAL 英國保誠
中銀保誠資產管理 BOCI-Prudential Asset Management

PRODUCT KEY FACTS

W.I.S.E. - CSI 300 China Tracker ® *

(*This is a synthetic ETF)

a sub-fund of the World Index Shares ETFs

8 February 2013

Issuer: BOCI-Prudential Asset Management Limited

- ***This is an exchange traded fund.***
- ***This statement provides you with key information about this product.***
- ***This statement is a part of the Prospectus.***
- ***You should not invest in this product based on this statement alone.***
- ***The Sub-Fund primarily invests in A Shares indirectly through the A-share access products ("AXPs"). The Sub-Fund may also invest directly in A Shares via the Manager's QFII investment quota allocated to the Sub-Fund.***
- ***The Sub-Fund is denominated in HKD and not RMB. All creation and redemption applications in the primary market and the secondary market trading of the Sub-Fund's Units are in HKD. Foreign exchange costs will be incurred by the Sub-Fund due to the fact that the CSI 300 Index (the "CSI 300") is denominated in RMB whilst the base currency of the Sub-Fund is Hong Kong dollars and that of the AXPs may be in US dollars (or other currency). In relation to the Sub-Fund's direct investment in A Shares through the Manager's QFII investment quota, the Manager shall remit HKD subscription money into Mainland China through a HKD foreign currency account opened with the QFII Custodian and then convert the money into RMB for investment. The Sub-Fund is thus subject to foreign exchange costs and currency conversion risk.***

Quick facts

Stock code:	2827
Trading lot size	200 Units
Fund Manager and QFII:	BOCI-Prudential Asset Management Limited (the "**Manager**")
Trustee and Custodian:	BOCI-Prudential Trustee Limited
Registrar:	Computershare Hong Kong Investor Services Limited
QFII Custodian:	Standard Chartered Bank (China) Limited
Total expense ratio:	Estimated to be 1.39% per annum of the Net Asset Value[1]
Underlying index:	CSI 300 Index
Base currency:	Hong Kong Dollars
Distribution policy:	Annually (if any) at the discretion of the Manager
Financial year end:	31 December

[1]The total expense ratio is the sum of anticipated charges to the Sub-Fund (including management fee and AXP maintenance fee, but does not include variable items such as collateral costs (which may be significant) and extraordinary items such as litigation, change of law, credit events of any of the AXP issuers and extreme market conditions which may result in an increase in total expense ratio) expressed as a percentage of the Net Asset Value of the Sub-Fund. Such costs may have an adverse impact on the Net Asset Value and performance of the Sub-Fund and may result in tracking error.

ETF Website:	www.boci-pru.com.hk/english/etf/intro.aspx (for English) www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)

What is this product?

W.I.S.E. – CSI 300 China Tracker® ***** (*****This is a synthetic ETF) (the "**Sub-Fund**") is a sub-fund under the World Index Shares ETFs, which is an umbrella unit trust established under the laws of Hong Kong. The Units of the Sub-Fund are listed on the Stock Exchange of Hong Kong Limited ("**SEHK**"). These units are traded on the SEHK essentially like shares.

Objective and Investment Strategy

Objective
The Sub-Fund is an index-tracking exchange traded fund which seeks to track the performance of the CSI 300).

Strategy
The Manager intends to achieve the investment objective of the Sub-Fund by investing primarily in A Shares indirectly through the AXPs, each of which is a derivative instrument linked to an A Share or a basket of A Shares. The Sub-Fund may also invest directly in A Shares via the Manager's QFII investment quota. The Manager has currently obtained a QFII investment quota of US$90 million for the account of the Sub-Fund. The Manager expects to invest up to US$90 million in acquiring A Shares for the account of the Sub-Fund using its QFII investment quota. By adopting the above strategies, the Sub-Fund seeks to achieve its investment objective of tracking the performance of the CSI 300.

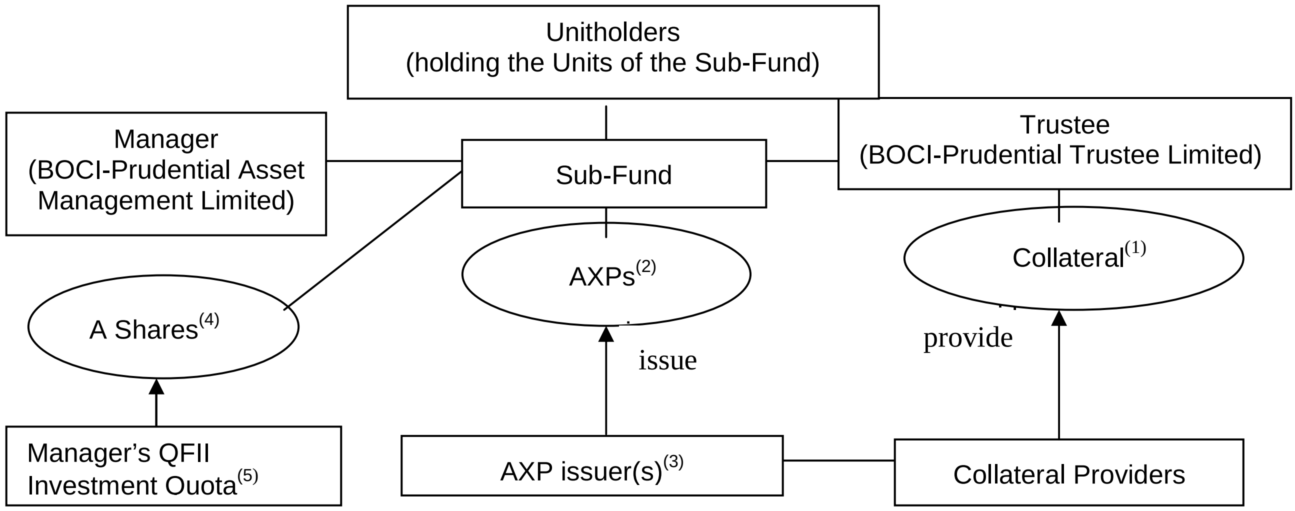
The Manager intends to adopt a representative sampling strategy for the Sub-Fund. As a result, the Sub-Fund may not from time to time hold one or more AXPs linked to A Shares or have direct investment of all the constituent securities of the CSI 300 and the Manager may overweight the A Shares acquired through direct investment or the A Shares underlying the AXP(s) relative to the relevant A Shares' respective weightings in the CSI 300 on the condition that the maximum extra weighting in any underlying A Shares in the CSI 300 will not exceed four per cent (4%) under normal circumstances. In addition, the Sub-Fund may hold AXPs linked to baskets or have direct holding of A Shares which may contain non-constituent stocks from time to time. AXPs are derivative instruments issued by the AXP issuers which, under the terms of the AXPs, are intended to provide the Sub-Fund with an exposure to the economic gain / loss in the performance of an A Share or a basket of A Shares. The AXP fees and charges are more particularly described on pages 88-91 of the Prospectus.

The Sub-Fund will obtain collateral such that the collateral held by the Sub-Fund represents at least 100% of the Sub-Fund's gross total counterparty risk exposure towards the AXP issuers with a view to ensuring that there is no uncollateralized counterparty risk exposure.

The Sub-Fund will not invest in any structured products and financial derivative instruments other than the AXPs. Except for the purpose of provision of collateral where securities borrowing and lending arrangement may be used, the Sub-Fund will not enter into any repurchase agreements or reverse repurchase agreements, stock lending transactions or other similar over-the-counter transactions.

How does it work?

The Investment strategy of the Sub-Fund is illustrated in the diagram below.



Note:

1. The Sub-Fund obtains and maintains collateral at a level representing at least 100% of the Sub-Fund's gross total counterparty risk exposure towards the AXP issuers, with the value of the collateral marked to market by the end of each trading day with a view to ensuring that there is no uncollateralized counterparty risk exposure.
2. AXPs which provide an exposure to the economic gain/loss in the performance of an A Share or a basket of A Shares. The AXP fees and charges are more particularly described on pages 88-91 of the Prospectus.
3. The list of AXP issuers is available on the Manager's website (www.boci-pru.com.hk/english/etf/intro.aspx (for English), or www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)).
4. The A Shares will be held by the QFII Custodian for and on behalf of the Sub-Fund in electronic form via a securities account with China Securities Depository and Clearing Corporation Limited (CSDCC).
5. The Manager would apply its QFII investment quota of US$90 million for the account of the Sub-Fund to acquire A Shares on behalf of the Sub-Fund.

Collateral

In accordance with the Collateral Management Policy, collateral held by the Sub-Fund represents at least 100% of the Sub-Fund's gross total counterparty risk exposure towards the AXP issuers, with the value of the collateral marked to market by the end of each trading day with a view to ensuring that there is no uncollateralized counterparty risk exposure. Where collateral taken is in the nature of equity securities, the market value of such equity collateral shall represent at least 120% of the related gross counterparty risk exposure towards the AXP issuers.

The Manager will adopt a prudent hair-cut policy on any non-equity collateral taking into account all relevant factors, including without limitation, the credit quality, liquidity, duration and other relevant terms of the collateral held.

Currently collateral is in the form of constituent stocks of the Hang Seng Index and/or Hang Seng China Enterprises Index and/or Hang Seng Composite Index, or cash and cash equivalents. The collateral will not consist of any structured products.

Please refer to the website of the Sub-Fund for the Collateral Management Policy, a list of the AXP issuers, together with the approximate gross and net exposure to each AXP issuer and the composition of the collateral which will be updated on a weekly basis.

AXP issuers

An AXP issuer must meet the following criteria: (i) it should be a QFII or belong to a QFII group; (ii) it or the guarantor of the relevant AXP issued by it (if any) must have a credit rating acceptable to the Manager (taking into account factors such as the prevailing market conditions, the credit ratings of other entities with comparable financial standing and the credit rating of the holding company of the relevant counterparty); and (iii) it or the guarantor of the relevant AXP issued by it (if any) must be either an authorized institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of the Laws of Hong Kong), or a financial institution with a minimum paid-up capital of HK$150 million or its equivalent in foreign currency. As a general requirement, the Manager expects that the relevant AXP issuer or the guarantor of the relevant AXP (if any) should have a minimum credit rating of investment grade. The value of the AXPs and the collateral is marked to market on a daily basis. If the Sub-Fund has uncollateralized counterparty exposure towards the AXP issuers by the end of a trading day, it will procure collateral to be delivered to it to limit its net exposure to the counterparty risk of the relevant AXP issuers to zero. Please refer to the website of the Sub-Fund for the list of AXP issuers and the exposure to each AXP Issuer.

Underlying Index - CSI 300

The CSI 300 is a diversified index consisting of 300 constituent stocks which are listed on the Shenzhen Stock Exchange and/or the Shanghai Stock Exchange, and as at 31 December 2012, these 300 stocks represent around 65% of the total market capitalisation of the two stock exchanges. It is a free-float market capitalisation weighted index and is compiled and managed by China Securities Index Co., Ltd. (the "**Index Provider**"), which was established jointly by the Shenzhen Stock Exchange and Shanghai Stock Exchange to provide services relating to securities indices. The index provider is independent of the Manager.

As at 31 December 2012, the 10 largest constituent stocks of the CSI 300 (out of 300 constituent stocks) and their respective weightings are listed below :

	Index Constituent	**Weighting in Index**
1.	China Minsheng Banking Corp., Ltd.	3.5%
2.	China Merchants Bank Co., Ltd.	3.4%
3.	Ping An Insurance (Group) Company of China Ltd.	3.0%
4.	Industrial Bank Co., Ltd.	2.5%
5.	Bank of Communications Co., Ltd.	2.3%
6.	Shanghai Pudong Development Bank Co., Ltd.	2.2%
7.	China Vanke Co., Ltd.	1.9%
8.	CITIC Securities Company Limited	1.8%
9.	Kweichow Moutai Co., Ltd.	1.7%
10.	China Shenhua Energy Company Limited	1.6%

For details (including the latest index level and other important news), please refer to the website of the Index Provider (www.csindex.com.cn).

What are the key risks?

Investment involves risks. Please also refer to the Prospectus for details including the risk factors.

1. ***Synthetic replication, counterparty and liquidity risk*** –
    - While the Sub-Fund may directly invest in the A Shares through the Manager's QFII investment quota, the Sub-Fund primarily invests in the AXPs which do not have an active secondary market. The AXPs do not provide the Sub-Fund with any legal or equitable interest of any type in the underlying A Shares or the relevant basket of A Shares to which the AXP(s) are linked, and the Sub-Fund will not in any way own the underlying A Share(s).
    - The Sub-Fund is subject to counterparty risk associated with each AXP issuer and may suffer losses potentially equal to the full value of the AXPs issued by an AXP issuer if such AXP issuer fails to perform its obligations under the AXP. The Sub-Fund is therefore exposed to the credit risk of the AXP issuer(s). Any loss would result in a reduction in the Net Asset Value of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective to track the relevant index.
    - In the event of any default by, or any material adverse change concerning an AXP issuer or collateral provider (if any), dealing of the Units in the Sub-Fund may be suspended, the Sub-Fund may suffer very significant losses and the Sub-Fund may ultimately be terminated.
    - The AXP issuers are predominantly financial institutions and this, in itself, may pose a concentration risk. These financial institutions may be inter-connected. Any adverse event affecting the performance of a particular AXP issuer may also have a negative impact on the performance of other AXP issuer(s) due to contagion effect.
    - The Manager will seek to obtain collateral to mitigate its exposure to each AXP issuer. However, this is subject to the risk of the collateral provider not fulfilling its obligations. There is a further risk that in the event that the Trustee may need to exercise its right against the collateral, the market value of the collateral could be substantially lower than the amount secured and so the Sub-Fund may suffer significant losses.

2. ***Single country / PRC emerging market risk*** -- Investment in an emerging market, such as the PRC involves special risks and considerations. The Sub-Fund may be subject to risks in relation to economic, political, social and regulatory development in the PRC. Usually, emerging markets, such as the market for A Shares, tend to be more volatile than developed markets and may experience substantial price volatility. Market movements may therefore result in substantial fluctuations in the Net Asset Value per Unit of the Sub-Fund.

3. ***Concentration risk*** –
    - The Sub-Fund invests primarily in securities related to the China market and may be subject to additional concentration risk.
    - To the extent that the CSI 300 concentrates in A Shares of a particular single issuer, industry or group of industries, the Manager may similarly concentrate the Sub-Fund's investments. The performance of the Sub-Fund could then depend heavily on the performance of that industry or group of industries.

4. ***Risks relating to QFII***

    (a) QFII system and regulation –
    - Any changes in laws and regulations imposed by the PRC government on QFII's operations may adversely affect: (i) the QFII status of the Manager which may affect the ability of the Manager to acquire the relevant A shares through its QFII investment quota; (ii) the QFII status of the relevant QFII which may affect the ability of the relevant QFII to acquire the underlying A Shares through its QFII investment quota to which the relevant AXPs are linked (the "**relevant QFII**"). The changes may affect the issuance of AXP(s) and/or cause Units in the Sub-Fund to trade at a discount on the SEHK.

    - If the QFII status of the Manager is revoked, the Manager will not be able to invest in the A Shares through the Manager's QFII investment quota. If the QFII status of the relevant

QFII is revoked, the AXP issuer may have to terminate the AXP(s) and will not issue further AXP(s) and the Sub-Fund may not be able to substantially invest in A Shares through the AXP(s) to gain exposure to the A Shares market. In the worst case scenario, the Sub-Fund may have to be terminated.

(b) ***Repatriation of capital or profits of a QFII*** – The capacity of the Sub-Fund to make investments in A Shares through the Manager's QFII investment quota and the ability to repatriate monies may be affected by rules and restrictions relating to remittance of principal, investment restrictions, minimum investment holding periods, and repatriation of principal and profits. In particular, the invested capital once remitted may not be repatriated for a lock-up period of one year which will expire on 20 February 2014 at the latest. The restriction or delay in repatriation of capital and profits may have impact on the Sub-Fund's ability to meet redemption requests; thus adversely affecting the timing or ability of the investors to receive settlement.

(c) ***QFII investment quota risk and limitation on creation and redemption of Units*** –

- There is no assurance that the Manager and/or the relevant QFII will be able to obtain additional QFII investment quota after the Manager and/or the relevant QFII (as the case may be) has used up the existing QFII investment quota. Where the relevant QFII's and the Manager's QFII's investment quota is used up, further Units of the Sub-Fund may not be able to be created.
- Where a Redemption Application is made by an Eligible Investor (as defined in the Prospectus), such application will be subject to the terms and conditions as specified in the relevant application form. Where an Eligible Investor redeems through the Manager (in its capacity as dealer for the Eligible Investor) or where there is insufficient AXP for a Redemption Application by a Participating Dealer, owing to the QFII restrictions and regulations, the settlement period for which the Eligible Investor or the Participating Dealer (or the investors redeeming through the Participating Dealer) may be able to receive the redemption proceeds may be extended.

5. ***Foreign exchange and currency conversion risk*** –The Sub-Fund may be subject to foreign exchange costs and exchange rate fluctuations between Hong Kong dollar, US dollar and RMB given that the Sub-Fund is denominated in Hong Kong dollar, but the AXPs invested by it are denominated in other currency (such as US dollars) and the underlying A Shares represented by the AXPs and the A Shares acquired by the Manager on behalf of the Sub-Fund are denominated in RMB.

6. ***Passive management risk*** – The Sub-Fund is not actively managed. The Manager may not take an active role in defending the position of the Sub-Fund in declining markets. Hence, any fall in the CSI 300 will result in a corresponding fall in the value of the Sub-Fund.

7. ***Tracking error risk*** –
   - Changes in the Net Asset Value of the Sub-Fund may deviate from the performance of the CSI 300 due to factors such as fees and expenses, liquidity of the index constituents, as well as changes to the CSI 300.
   - The Manager may decide to switch some of the Sub-Fund's current investments in the AXPs to direct investments in the A Shares via the QFII investment quota obtained by the Manager, in which case, the Manager will liquidate the relevant AXPs and use the proceeds to constitute the relevant basket of A Shares. Apart from the risks relating to the liquidity of the relevant AXPs, there may be a time gap between the liquidation of the relevant AXPs and the acquisition of A Shares. The Sub-Fund will therefore bear the market risks during such time gap, in addition to the costs associated with the liquidation and acquisition; thus giving rise to tracking error.

8. ***Collateral Management Policy*** – As a result of the Collateral Management Policy, the Sub-Fund will have to bear increase in fees, charges and expenses in relation to the additional

collateral taken by the Sub-Fund. The increased cost may have an adverse impact on the Net Asset Value and the performance of the Sub-Fund and the changes in the Net Asset Value of the Sub-Fund may deviate from the performance of the CSI 300 and may give rise to increased tracking error. Such fees, charges and expenses may vary from time to time depending on the types of collateral obtained and other market factors. The tracking error risk will also increase in the event that the Sub-Fund is holding more cash than the normal level. In such situation, the Sub-Fund may not be sufficiently exposed to the economic performance of the CSI 300.

9. ***Legal and Regulatory risk*** – Changes in the authorization conditions of the Sub-Fund and/or laws, regulatory requirements and/or imposition of new regulatory actions or restrictions may require changes in the operation or administrative rules of the Sub-Fund, constitutive or offering documents of the Sub-Fund. Such change may have an impact on the operation costs of the Sub-Fund and may have an impact on the market sentiment which may in turn affect the performance of the Sub-Fund.

10. ***Trading risk*** – Generally, retail investors can only buy or sell Units on the SEHK. The trading price of the Units on the SEHK is subject to market forces and may trade at a substantial premium/discount to the Net Asset Value. Differences in trading hours between the market to which the index constituents belong and the Hong Kong Stock Exchange may increase the trading premium/discount.

11. ***Mainland China tax risk*** – There are currently no specific rules or regulations under the PRC tax law governing the taxation of capital gains and profits realised by a QFII on disposal of A Shares. Where capital gain tax is payable by the QFII, the QFII will pass on this tax liability to the Sub-Fund. The Sub-Fund will be the ultimate party to bear the risks relating to the tax liability of the QFIIs (including the relevant QFII and the Manager) in relation to the underlying A Shares of the CSI 300. In order to meet the potential capital gain tax liability: (i) in relation to AXPs, a provision of 10% is made by an AXP issuer and/or the Sub-Fund, and (ii) in respect of the A Shares acquired by the Manager on behalf of the Sub-Fund, a provision of 10% is made by the Sub-Fund. However, the actual applicable tax rate levied by the PRC tax authorities may be different and may change from time to time. Investors should note that if the actual applicable tax rate levied by the PRC tax authorities is more than the capital gain tax provision of 10%, the Net Asset Value of the Sub-Fund may suffer more than the anticipated 10% as the Sub-Fund will have to bear the additional tax liabilities.

12. ***Termination risk*** – If the Index Provider terminates the CSI 300 or does not allow the Sub-Fund to use the CSI 300, and there is no successor index, the Sub-Fund may be terminated.

13. ***Risk of conflicts of interests*** – The Manager will assume dual roles as the manager of the Sub-Fund and the QFII 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.

14. ***Distributions*** – Distributions are not guaranteed, and therefore, investors may not receive any dividends from the Sub-Fund.

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?

Please refer to Appendix V of the Prospectus for details of other fees and expenses applicable to the creation or redemption, or dealing in Units.

Charges incurred when trading this Sub-Fund on SEHK

Fee	***What you pay***
Brokerage fee	At each broker's discretion
Transaction levy	0.003%[1]
Trading fee	0.005%[2]
Stamp duty	0.2%[3]

[1]Transaction levy of 0.003% of the price of the Units, payable by the buyer and the seller.
[2]Trading fee of 0.005% of the price of the Units, payable by the buyer and the seller.
[3]Stamp duty of 0.2% of the price of the Units, one half is payable by the buyer and the other half payable by seller. Approval has been given by the Financial Services and the Treasury Bureau for remission or refund in full of stamp duty payable or paid in respect of any contract notes or instruments of transfer relating to transactions in Units in the Sub-Fund. Therefore, the seller and the purchaser of the Units shall not be liable for Hong Kong stamp duty upon such transfer. However, nominal stamp duty may still be payable on any instruments of transfer relating to transactions in Units in the Sub-Fund.

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 Net Asset Value("NAV") of the Sub-Fund which may affect the trading price.

	Annual rate (as a % of the Sub-Fund's NAV)
Management fee* (Trustee fee included)	0.99 % per annum, up to a maximum of 2% per annum
Servicing fee	Currently waived
Other Ongoing Costs	Please refer to Appendix V to the Prospectus for details of ongoing costs payable by the Sub-Fund

* Please note that some fees may be increased, up to a permitted maximum amount, by giving Unitholders at least one (1) month's prior notice. Please refer to the section of "Fees And Charges Applicable to the Sub-Fund" in Appendix V to the Prospectus.

Additional Information

You can find the following information of the Sub-Fund at the Manager's website (www.boci-pru.com.hk/english/etf/intro.aspx (for English), www.boci-pru.com.hk/chinese/etf/intro.aspx (for Chinese)):

- The last published prospectus and product key fact statement of the Sub-Fund;
- Latest annual and semi-annual financial reports of the Sub-Fund;

- Any public announcements and notices made by the Sub-Fund, including information in relation to the Sub-Fund and the CSI 300, notices of the suspension of the calculation of Net Asset Value (if any), changes in fees and charges and the suspension and resumption of trading of Units;
- Estimated Net Asset Value per Unit;
- Last closing Net Asset Value per Unit;
- The list of AXP issuers and Participating Dealers(s) for the Sub-Fund;
- The current gross and net counterparty exposure of the Sub-Fund to each AXP issuer, to be updated at the close of business of every dealing day;
- the Sub-Fund's A Shares' holdings, to be updated at the close of business of every dealing day; and
- Composition of the collateral, to be updated on a weekly basis and Collateral Management Policy.

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.