

PRODUCT KEY FACTS

BOCIP Hong Kong Low Volatility Equity Fund

a sub-fund of
the BOCIP Asset Management Investment Funds

31 December 2020

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[#]:	0.23%
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	Hong Kong Dollars
Distribution policy:	The Manager does not intend to make distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund.
Financial year end:	31 December
Minimum investment:	Initial : HK\$10,000 Addition : HK\$10,000

[#] The ongoing charges figure is based on expenses of such class of Units for the period ended 30 June 2020. This figure may vary from year to year.

What is this product?

BOCIP Hong Kong Low Volatility Equity 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 medium-term capital growth by investing primarily in equity securities listed or to be listed on the Stock Exchange of Hong Kong Limited (“SEHK”), including H shares, red-chip companies, exchange traded funds (“ETFs”) (including ETFs managed by the Manager) and real estate investment trusts (“REITs”).

The Manager will invest at least 70% of the Sub-Fund’s non-cash assets in equity securities, ETF and REITs so as to achieve the investment objectives of the Sub-Fund. Cash or deposits may be considered when appropriate.

The Sub-Fund seeks to achieve a reduced level of volatility against the broad market. Stock selection is based on identifying stocks with lower volatility and other characteristics based on the Manager's internal selection process. Stocks with lower volatility are generally those with less price variability than the overall market. For the purpose of the Sub-Fund, volatility is represented by the standard deviation of a stock's daily returns within a prespecified window, typically the one year before the current date. 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 a reduced level of volatility. The Sub-Fund has no specific industry focus. The Sub-Fund will consider investment opportunities in all market capitalization ranges. The Sub-Fund will not use derivatives to achieve the low volatility target.

The Sub-Fund currently does not invest in or have any exposure to any A shares and B shares listed on the stock exchanges in the PRC.

The Sub-Fund will only invest in structured deposits or structured products or financial derivative instruments for hedging purposes only.

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

Currently, the Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar over-the-counter ("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.

The Sub-Fund is denominated in Hong Kong dollars.

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. 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. Risk in connection with the investment strategy

The Manager will rely on its internal selection process when constructing the portfolio. However, there is a possibility that the Manager's internal selection process may not effectively achieve a reduced level of volatility and the Sub-Fund's value may be adversely affected. Investors should note that lower volatility does not necessarily mean lower risk.

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

6. Real estate investment trusts "REITs" risks

- The Sub-Fund is subject to risks inherent in REITs which invest primarily in real estate. REITs may be more volatile than other securities as they may trade less frequently and in smaller volume and they may have limited financial resources.
- The performance of REITs will depend on various factors, such as management skills, change in value of the underlying properties, illiquidity of the investments, changes in general and local economic conditions, taxation policies, non-renewal of expiring leases, unexpected expenditure or failure of lessees to meet their obligations. Further, REITs are subject to heavy cash flow dependency.
- Investors should also note that the Sub-Fund may also invest in REITs that are not authorized by the SFC.

7. Liquidity risk

Investments made by the Sub-Fund may become illiquid or less liquid in response to market developments or adverse investor perceptions. It may not be possible to sell or buy these investments quickly enough to prevent or minimize a loss in the Sub-Fund.

8. Concentration risk

- The Sub-Fund's investments mainly focus on equity securities listed or to be listed on the SEHK or listed equities issued by companies which have business or operations or interests in Hong Kong. Such concentration of investments may increase the Sub-Fund's vulnerability to the economic, political or regulatory or tax developments of a single region. 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 Hong Kong market.
- The Sub-Fund does not constrain sector weights and has no specific sector focus. While the Sub-Fund seeks to reduce risk by investing in a diversified portfolio of investments, the Sub-Fund may have a higher exposure to particular sectors. Increased concentration of investments will increase the Sub-Fund's risk suffering proportionately higher loss should certain particular investment decline in value or otherwise be adversely affected. Market or economic factors affecting issuers or sectors in which the portfolio's investments are concentrated could have a significant effect on the value of the portfolio's investments.

9. Specific risks associated with investments in H shares and red-chip companies listed on the SEHK and other Hong Kong-listed stocks

- **Emerging market / PRC market risk:** Investing in the securities relating to the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market in particular.
- Investing in emerging markets, such as the PRC, 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.

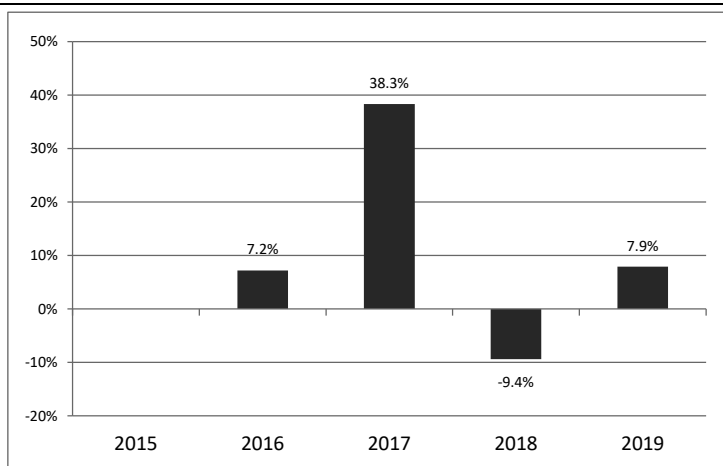
10. Derivative instruments risk

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.

11. Potential conflicts of interest

- The Sub-Fund may invest in ETFs 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 2015.
- 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.

<i>Fee</i>	<i>What you pay</i>
Initial charge	Up to 5% of the issue price
Switching fee <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: 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 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%*
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 8 to 9 of the Eighth 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 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.