

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, 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, foreign exchange and RMB currency and conversion risks, risk in relation to distribution, cross-class liability risk, potential conflicts of interest and derivative instruments risk.
- Investing in emerging markets, such as the PRC, 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 institutional investors ("QFII") risk: The Sub-Fund's exposure to the PRC market via ELIs depends on the ability of the QFII to buy and sell A Shares. The availability of QFII investment quota and any restrictions or any changes in the QFII 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 QFII'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 by the relevant class of Units. 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 in relation to a particular class of Units, distributions be paid out of its capital, or the Manager may, in its discretion, pay distributions out of its gross income while charging/paying all or part of its fees and expenses to/out of its capital, resulting in an increase in distributable income for the payment of distributions by the relevant class of Units and therefore, the relevant class of Units may effectively pay distributions out of capital. This may reduce the capital that the relevant class of Units has 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.
- 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 QFII), 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 QFII 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.



MANAGER'S COMMENT^{##}

On Market

China's export growth further surged to 7.2% in July from 0.5% in June. Manufacturing PMI and industrial production both suggested that the production activities have recovered. However, China-US political conflicts persisted. More sanctions were imposed to citizens or companies of each other. Facing escalating geopolitical tensions and lukewarm global economic growth, Beijing emphasized the importance of self-reliant domestic economy during the mid-year Politburo. Although retail sales growth stayed in negative territory, we believe local governments would continue to stimulate consumer spending. In August, the PBoC resumed net liquidity injection to the market, mainly via MLF. Interbank rates kept increasing but in a smaller extent. 12-month onshore RMB forwards at end-August suggested the RMB to depreciate 2.1%, as same as the expectations at end-July.

After the rally in June and July, major mainland equity indices were fluctuating within a narrower range in August and mostly closed tad higher by the month end. Positive macro releases, PBoC's liquidity injection, strengthening RMB against USD, and slew of listed corporations' interim results rendered moderate support to the market during the month. However, the "new infrastructure" buying spree took a breather in August, following the newly enlarged 20% fluctuation limit of the ChiNext Market's IPOs and more sanctions announced by the U.S. government against mainland Information Technology firms and semi-conductors supply chain. The tech-savvy and startup-dominant ChiNext Index even posted a -2.4% decline in August, while large-cap dominant indices like Shanghai Composite Index and CSI300 rose about 2.6% respectively. Hang Seng H-share and Red Chip Index mildly underperformed most of their mainland peers by posting a -0.5% and -0.9% decline in August, mainly dragged by the retreat of several Financials Services, Properties, Utilities, and Information Technology related heavyweights.

On Portfolio

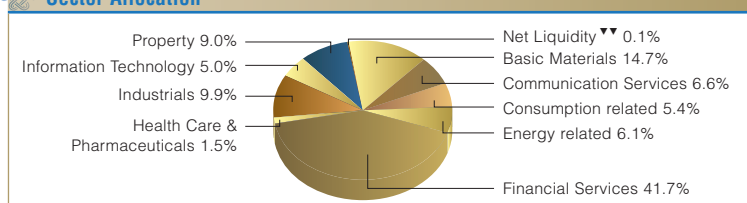
The Sub-Fund registered a negative return in August. Although moderating in pace, the improving macro data have further lifted market sentiment in the month. We saw great discrepancies in market dynamics between the onshore and offshore market during the period. Overall, large cap names and value factor were the top outperformers in the onshore market but mildly underperformed in the offshore market. Looking ahead, we believe the escalating geopolitical tensions and the potential rebound of COVID-19 around the world will be the major uncertainties in the market. In any case, prudent stock selection and dynamic cash management will continue to be the core strategy of the Sub-Fund.

| Class A | HKD Units | Cumulative Performance in the Currency of the Relevant Class of Units [Gross Distribution Reinvested] ^{ΔΔ} | | | | | | Calendar Year Performance in the Currency of the Relevant Class of Units ^{ΔΔ} | | | | |
|---------|---------------------------------|---|--------------|--------|---------|---------|-----------------|--|---------------------|--------|---------|--------|
| | | 3 Months | Year to date | 1 Year | 3 Years | 5 Years | Since Inception | 2015 | 2016 | 2017 | 2018 | 2019 |
| | RMB Hedged Currency Class Units | 7.79% | -12.00% | -0.90% | -13.12% | -2.73% | 1.27% | -12.67% | -5.13% | 22.19% | -11.91% | 9.40% |
| | RMB Units | 8.01% | -11.40% | 0.50% | -6.09% | - | 8.22% | -5.82% [†] | -1.50% | 28.85% | -8.70% | 11.93% |
| | RMB Units | 3.06% | -13.00% | -4.12% | -8.93% | - | 18.18% | N/A | 15.99% [†] | 13.25% | -7.21% | 11.45% |

Top 10 Holdings

| | | | | | |
|---|------------------------------|------|----|------------------------------|------|
| 1 | CHINA NATIONAL BUILDING MA-H | 6.5% | 6 | CHINA CONSTRUCTION BANK-H | 4.5% |
| 2 | CHINA RESOURCES LAND LTD | 5.8% | 7 | IND & COMM BK OF CHINA-H | 3.9% |
| 3 | CHINA MERCHANTS BANK-H | 5.2% | 8 | CHINA LIFE INSURANCE CO-H | 3.8% |
| 4 | PING AN INSURANCE GROUP CO-H | 4.7% | 9 | BANK OF COMMUNICATIONS CO-H | 3.7% |
| 5 | CITIC SECURITIES CO LTD-H | 4.6% | 10 | CHINA PACIFIC INSURANCE GR-H | 3.7% |

Sector Allocation[†]



Recent 12 months Distribution^Δ History

| Record Date | HKD Units | | RMB Hedged Currency Class Units | |
|-------------|------------------------------------|---------------------------|------------------------------------|---------------------------|
| | Distribution Per Unit [†] | Fund Price on Record Date | Distribution Per Unit [†] | Fund Price on Record Date |
| 30-Jun-20 | 0.0752 | 6.0106 | 0.1160 | 7.7307 |
| 31-Mar-20 | 0.0748 | 5.9808 | 0.1153 | 7.6821 |
| 31-Dec-19 | 0.0920 | 7.3580 | 0.1418 | 9.4527 |
| 30-Sep-19 | 0.0836 | 6.6804 | 0.1283 | 8.5496 |

Fund Data (Class A)

| | | | |
|---|--|--|---|
| Investment Manager | Marvin Wong & Team | | |
| Fund Size (Million) | HKD 823.33 | | |
| 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 |
| Base Currency | HKD | | |
| Currency Class | HKD / RMB | | |
| 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% ^Δ of the issue price of the New Class of Units to be issued or Nil ^{ΔΔ} | | |
| Distribution | Aim to make distributions quarterly ^Δ (Distributions may be paid out of capital. Please note points 7 & 8 of Important Notes) | | |
| NAV per unit | HKD 6.2393 | RMB 8.0098 | RMB 5.5140 |
| 12 months NAV ^{††} | Highest: HKD 7.3580 | RMB 9.4527 | RMB 6.5774 |
| | Lowest: HKD 5.8582 | RMB 7.5232 | RMB 5.4147 |
| Risk Level ^Δ | High | | |
| Morningstar Overall Rating ^{†††} | Class A – HKD Units: ★ | Class A – RMB Hedged Currency Class Units: – | Class A – RMB Units: – |
| Standard Deviation | Class A – HKD Units: 20.49% | Class A – RMB Hedged Currency Class Units: 20.55% | Class A – RMB Units: 17.59% |
| Bloomberg Tickers | Class A – HKD Units: BOCCHVI HK EQUITY | Class A – RMB Hedged Currency Class Units: BOCCRHI HK EQUITY | Class A – RMB Units: BOCCRMA HK EQUITY |
| ISIN Codes | Class A – HKD Units: HK0000074358 | Class A – RMB Hedged Currency Class Units: HK0000270907 | Class A – RMB Units: HK0000286598 |

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

^{##} 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.

^{ΔΔ} 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^{†††}" 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.

[†] The calendar year performance for 2015 of Class A – RMB Hedged Currency Class Units corresponds to the period since inception (30 October 2015) to end of 2015, while the calendar year performance for 2016 of Class A – RMB Units corresponds to the period since inception (23 February 2016) to end of 2016.

^Δ 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".

^{ΔΔ} "Net Liquidity" was formerly named as "Cash & Deposit".

^Δ 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 composition of the latest distribution (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.

^Δ As of the respective Record Date, there were no Unitholders of the Class A – RMB Units of the Sub-Fund. Therefore, no distribution history is available.

^{*} The Manager may increase the rate of management fee, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice.

^Δ 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.

^{ΔΔ} For switching into units of a Money Market Sub-Fund.

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

^Δ 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 2019 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.

[†] Data Source – © 2020 Morningstar, Inc. All Rights Reserved.

This document is issued by BOCI-Prudential Asset Management Limited and has not been reviewed by the SFC.