

**W.I.S.E. – CSI HK LISTED MAINLAND  
CONSUMPTION TRACKER**

a sub-fund of the World Index Shares ETFs

26 April 2017

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.***

**Quick facts**

<b>Stock code:</b>	02817
<b>Trading lot size:</b>	500 units
<b>Fund Manager:</b>	BOCI-Prudential Asset Management Limited
<b>Trustee and Custodian:</b>	BOCI-Prudential Trustee Limited
<b>Ongoing charges over a year#:</b>	1.02%
<b>Underlying Index:</b>	CSI Hong Kong Listed Tradable Mainland Consumption Index
<b>Tracking difference of the last calendar year##:</b>	-1.65%
<b>Base currency:</b>	Hong Kong Dollars
<b>Financial year end of this fund:</b>	31 December
<b>Distribution policy:</b>	Annually at the discretion of the Manager, usually in December
<b>ETF Website:</b>	<a href="http://www.boci-pru.com.hk/english/etf/intro.aspx">www.boci-pru.com.hk/english/etf/intro.aspx</a> (for English) <a href="http://www.boci-pru.com.hk/chinese/etf/intro.aspx">www.boci-pru.com.hk/chinese/etf/intro.aspx</a> (for Chinese)

#The ongoing charges figure is based on expenses for the period ended 31 December 2016. This figure may vary from year to year. The expenses include (without limitation) management fee and charges and payments deducted from the assets of the Mainland Consumption Tracker on a periodic basis but do not include certain items such as payments to third parties regarding costs incurred in relation to the acquisition or disposal of any assets of the Mainland Consumption Tracker and taxes (if applicable).

##This is the actual tracking difference of the last calendar year. Investors should refer to the website of the Mainland Consumption Tracker for more up-to-date information on actual tracking difference.

**What is this product?**

The W.I.S.E. – CSI HK Listed Mainland Consumption Tracker (the “**Mainland Consumption Tracker**”) is a sub-fund of the World Index Shares ETFs, which is an umbrella unit trust established under Hong Kong law. The Units of the Mainland Consumption Tracker are listed on the Stock Exchange of Hong Kong Limited (“**SEHK**”). These Units are traded on the SEHK essentially like shares.

## Objectives and Investment Strategy

### Objectives

The Mainland Consumption Tracker is an index-tracking exchange traded fund which seeks to provide investment returns, before fees and expenses, that closely correspond to the performance of the CSI Hong Kong Listed Tradable Mainland Consumption Index (the “**Underlying Index**”).

### Investment Strategy

In order to achieve the investment objective, the Mainland Consumption Tracker will adopt a representative sampling strategy and hold a representative sample of the constituent securities of the Underlying Index (“**Index Securities**”) selected by the Manager using quantitative methods to derive a portfolio sample. The Mainland Consumption Tracker will not hold all the Index Securities or invest in an Index Security in the same weighting as such Index Security has in the Underlying Index. Under normal circumstances, the Mainland Consumption Tracker may invest in an Index Security for up to four per cent (4%) more than the relevant Index Security’s weighting in the Underlying Index, and will invest in at least 70% of the number of Index Securities.

The Mainland Consumption Tracker may invest in non-Index Securities which are listed on the SEHK, such as other listed stocks relating to the theme of the Underlying Index as the Manager considers appropriate. The Mainland Consumption Tracker will not invest in derivatives for investment or efficient portfolio management purposes and will not engage in stock lending.

### Underlying Index

The Underlying Index was launched on 2 June 2010. As of 21 April 2017, the Underlying Index currently consists of 53 constituent securities listed on the SEHK relating to the consumer discretionary sector and consumer staple sector in Mainland China. Please refer to Appendix I of the Prospectus on the detailed selection methodology of the Underlying Index. The Underlying Index is compiled and managed by the China Securities Index Co., Ltd (the “**Index Provider**”). The Index Provider was established jointly by the Shenzhen Stock Exchange and Shanghai Stock Exchange to provide services relating to securities indices. The Underlying Index does not have A share constituent stocks.

As at 21 April 2017, the 10 largest constituent securities of the Underlying Index and their respective weightings are listed below for reference purpose:

<b>Index Constituent</b>	<b>Weighting in Index</b>
1. Geely Automobile Holdings Limited	7.73%
2. Sunny Optical Technology (Group) Company Limited	5.78%
3. Hengan International Group Company Limited	5.46%
4. Want Want China Holdings Limited	5.20%
5. China Mengniu Dairy Company Limited	5.15%
6. Brilliance China Automotive Holdings Limited	4.69%
7. Shenzhou International Group Holdings Limited	4.50%
8. Belle International Holdings Limited	3.91%
9. China Resources Beer (Holdings) Company Limited	3.89%
10. BYD Company Limited	3.67%

For details, please refer to the website of the Index Provider at ([www.csindex.com.cn](http://www.csindex.com.cn)).

**What are the key risks?**

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

**General investment risk**

- The Mainland Consumption Tracker's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Mainland Consumption Tracker may suffer losses. There is no guarantee in respect of repayment of principal.

**Portfolio concentration risk / sector concentration risk / consumer discretionary sector risk**

- As at 21 April 2017, the Underlying Index consists of 53 constituent securities listed on the SEHK. The Mainland Consumption Tracker is therefore relatively concentrated in a limited number of stocks. The value of the Mainland Consumption Tracker may be more volatile than that of a fund having a more diverse portfolio of investments.
- In order to track the Underlying Index, investments made by the Mainland Consumption Tracker may be concentrated in securities that are closely related to the consumer market in the PRC Mainland. The performance of the Mainland Consumption Tracker may therefore be subject to the volatility of the consumer market in the PRC Mainland. Its performance may also be affected by the growth rate of the PRC Mainland economy and consumer spending.
- The performance of the Mainland Consumption Tracker will be affected by the performance of companies active in the consumer discretionary sector and consumer staples sector in the PRC Mainland. The performance of companies in these sectors are correlated to the growth rate of the PRC Mainland consumer market, individual income level and domestic consumer spending. The profitability of companies in consumer staples sector in the PRC Mainland is further influenced by government regulations affecting the permissibility of using various food additives and production methods.

**Emerging market risk / single country / region concentration risk**

- In tracking the Underlying Index, the Mainland Consumption Tracker will invest in PRC companies listed on the SEHK. Such companies may have substantial exposure to the risks in Hong Kong and/or the PRC Mainland. As a result, the value of the Mainland Consumption Tracker may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Mainland Consumption Tracker may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Hong Kong and/or PRC market.
- The Mainland Consumption Tracker invests in an emerging market, such as the PRC, which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, settlement risks, custody risk and the likelihood of a high degree of volatility.

**Passive investment risk**

- The Mainland Consumption Tracker is passively managed. Due to the inherent nature of the Mainland Consumption Tracker, the Manager will not have the discretion to adapt to market changes and may not take an active role in defending the position of the Mainland Consumption Tracker in declining markets. Hence, any fall in the Underlying Index will result in a corresponding fall in the value of the Sub-Fund.

**Tracking error risk**

- The Mainland Consumption Tracker may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. This tracking error may result from the investment strategy used, and fees and expenses. The Manager will monitor and seek to manage such risk in minimising tracking error. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index.

**Trading risks**

- The trading price of the Units on the SEHK is driven not only by the Net Asset Value (“NAV”) of the Mainland Consumption Tracker but also by other market factors such as the supply of and demand

for the Units in the SEHK. Therefore, the Units may trade at a substantial premium or discount to the Mainland Consumption Tracker’s NAV.

- As investor will pay certain charges (e.g. trading fees and brokerage fees) to buy or sell Units on the SEHK, investors may pay more than the NAV per Unit when buying Units on the SEHK, and may receive less than the NAV per Unit when selling Units on the SEHK.

**Equity market risk**

- The Mainland Consumption Tracker’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.

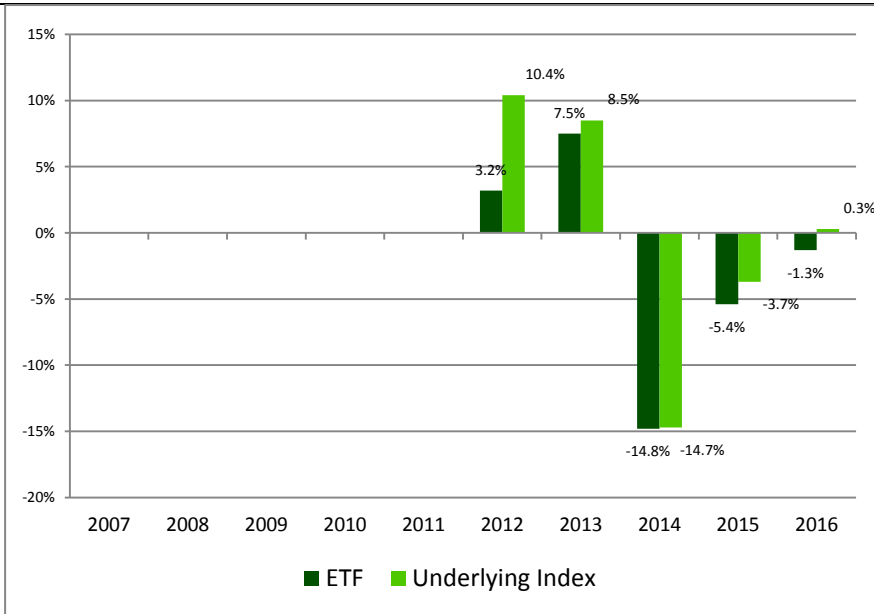
**Termination risk**

- The Mainland Consumption Tracker may be terminated under certain circumstances, for example, where the Underlying Index is no longer available for benchmarking or if at any time one year after the establishment of the Mainland Consumption Tracker the size of the Mainland Consumption Tracker falls below HK\$100,000,000. Investors may not be able to recover their investments and suffer a loss when the Mainland Consumption Tracker is terminated.

**Reliance on market maker risks**

- Although the Manager will ensure that at least one market maker will maintain a market for the Units and that at least one market maker gives not less than 3 months’ notice prior to terminating market making arrangement under the relevant market maker agreement, liquidity in the market for the units may be adversely affected if there is no or only one market maker for the Units. There is also no guarantee that any market making activity will be effective.

**How has the 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 Mainland Consumption Tracker increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding your trading costs on SEHK.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- The Mainland Consumption Tracker was launched in 2011.

**Is there any guarantee?**

Like most funds, the Mainland Consumption Tracker does not have any guarantees. You may not get back the amount of money you invest.

## What are the fees and charges?

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

### Charges incurred when trading the Mainland Consumption Tracker on SEHK

Fee	What you pay
Brokerage fee	At each broker's discretion
Transaction levy	0.0027% of the trading price of the Units
Trading fee	0.005% of the trading price of the Units
Stamp duty	Waived
Investor compensation levy	0.002% of the trading price of the Units (** currently suspended)

### Ongoing fees payable by the Mainland Consumption Tracker

The following expenses will be paid out of the fund. They affect you because they reduce the NAV of the Mainland Consumption Tracker which may affect the trading price.

	Annual rate (as a % of the fund's NAV)
Management Fee*	0.5% per annum, up to a maximum of 2% per annum
Trustee Fee*	0.09% per annum, up to a maximum of 0.5% per annum
Registrar fee	An annual fee not exceeding HK\$120,000 per annum
Other Ongoing costs	Please refer to Appendix III of the Prospectus for details of ongoing costs payable by the Mainland Consumption China Tracker

\* Please note that some fees may be increased up to a permitted maximum amount by providing one (1) month's prior notice to Unitholders. Please refer to the section on "Charges and Expenses" in the Prospectus.

## Additional Information

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

- The last published prospectus and product key facts statement of the Mainland Consumption Tracker;
- Latest annual and semi-annual financial reports of the Mainland Consumption Tracker;
- Any public announcements and notices made by the Mainland Consumption Tracker, including information in relation to the Mainland Consumption Tracker and the Underlying Index, notices of the suspension of the calculation of NAV, changes in fees and charges and the suspension and resumption of trading of Units;
- List of Participating Dealers for the Mainland Consumption Tracker;
- Last closing NAV per Unit of the Mainland Consumption Tracker;
- Near real time estimated NAV per Unit of the Mainland Consumption Tracker throughout each Dealing Day;
- The past performance information of the Mainland Consumption Tracker; and
- Tracking difference and tracking error information of the Mainland Consumption Tracker.

Information contained in the website 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.