

W.I.S.E. – CSI HK LISTED MAINLAND REAL ESTATE 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

Stock code:	02839
Trading lot size:	500 units
Fund Manager:	BOCI-Prudential Asset Management Limited
Trustee and Custodian:	BOCI-Prudential Trustee Limited
Ongoing charges over a year[#]:	0.93%
Underlying Index:	CSI Hong Kong Listed Tradable Mainland Real Estate Index
Tracking difference of the last calendar year^{##}:	-0.06%
Base currency:	Hong Kong Dollars
Financial year end of this fund:	31 December
Distribution policy:	Annually at the discretion of the Manager, usually in December
ETF Website:	www.boci-pru.com.hk/english/etf/intro.aspx (for English), www.boci-pru.com.hk/chinese/etf/intro.aspx (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 Real Estate 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 Real Estate 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 Real Estate Tracker for more up-to-date information on actual tracking difference.

What is this product?

The W.I.S.E. – CSI HK Listed Mainland Real Estate Tracker (the “**Mainland Real Estate 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 Real Estate Tracker are listed on the Stock Exchange of Hong Kong (“**SEHK**”). These Units are traded on the SEHK essentially like shares.

The Mainland Real Estate Tracker is not authorized by the SFC under the Code on Real Estate Investment Trusts.

Objectives and Investment Strategy

Objectives

The Mainland Real Estate 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 Real Estate Index (the “**Underlying Index**”).

Investment Strategy

In order to achieve the investment objective, the Mainland Real Estate 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 Real Estate 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 Real Estate 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 Real Estate 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 Real Estate 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 24 constituent securities listed on the SEHK relating to the real estate market 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:

Index Constituent	Weighting In Index
1. China Overseas Land & Investment Limited	20.23%
2. Country Garden Holdings Company Limited	13.60%
3. China Resources Land Limited	12.07%
4. China Evergrande Group	7.50%
5. China Vanke Co., Ltd.	5.47%
6. Sunac China Holdings Limited	5.20%
7. Longfor Properties Co. Ltd.	4.71%
8. Shimao Property Holdings Limited	3.50%
9. Sino-Ocean Group Holding Limited	2.97%
10. Guangzhou R&F Properties Co., Ltd.	2.75%

For details, please refer to the website of the Index Provider at (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 Real Estate Tracker's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Mainland Real Estate Tracker may suffer losses. There is no guarantee in respect of repayment of principal.

Portfolio concentration risk / sector concentration risk

- As at 21 April 2017, the Underlying Index consists of 24 constituent securities listed on the SEHK. The Mainland Real Estate Tracker is therefore relatively concentrated in a limited number of stocks. The value of the Mainland Real Estate 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 Real Estate Tracker may be concentrated in securities that are closely related to the real estate market in the PRC Mainland. The performance of the Mainland Real Estate Tracker may therefore be subject to the volatility and government policies concerning the real estate market in the PRC Mainland.

Emerging market risk / single country / region concentration risk

- In tracking the Underlying Index, the Mainland Real Estate 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 Real Estate Tracker may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Mainland Real Estate 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 Real Estate 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 Real Estate Tracker is passively managed. Due to the inherent nature of the Mainland Real Estate 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 Real Estate Tracker in declining markets. Hence, any fall in the Underlying Index will result in a corresponding fall in the value of the Mainland Real Estate Tracker.

Tracking error risk

- The Mainland Real Estate 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 Real Estate 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 Real Estate 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 Real Estate 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.

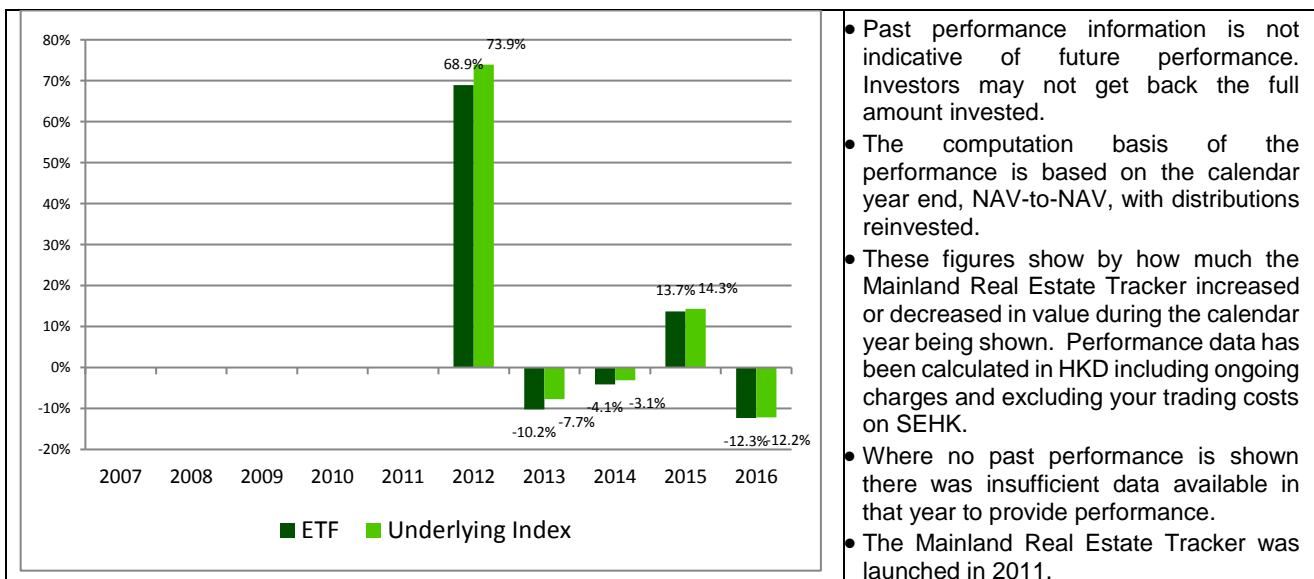
Termination risk

- The Mainland Real Estate 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 Real Estate Tracker the size of the Mainland Real Estate Tracker falls below HK\$100,000,000. Investors may not be able to recover their investments and suffer a loss when the Mainland Real Estate 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?



Is there any guarantee?

Like most funds, the Mainland Real Estate 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 Real Estate 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)
<p>Ongoing fees payable by the Mainland Real Estate Tracker</p> <p>The following expenses will be paid out of the fund. They affect you because they reduce the NAV of the Mainland Real Estate Tracker which may affect the trading price.</p>	
	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 Real Estate Tracker
<p>*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.</p>	
<p>Additional Information</p> <p>You can find the following information of the Mainland Real Estate Tracker 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)):</p> <ul style="list-style-type: none"> • The last published prospectus and product key facts statement of the Mainland Real Estate Tracker; • Latest annual and semi-annual financial reports of the Mainland Real Estate Tracker; • Any public announcements and notices made by the Mainland Real Estate Tracker, including information in relation to the Mainland Real Estate Tracker and the Underlying Index, notices of the suspension of calculation of NAV, changes in fees and charges, and the suspension and resumption of trading of Units; • List of Participating Dealers for the Mainland Real Estate Tracker; • Last closing NAV per Unit of the Mainland Real Estate Tracker; • Near real-time estimated NAV per Unit of the Mainland Real Estate Tracker throughout each Dealing Day; • The past performance information of the Mainland Real Estate Tracker; and • Tracking difference and tracking error information of the Mainland Real Estate Tracker. <p>Information contained in the website has not been reviewed by the SFC.</p>	
<p>Important</p> <p>If you are in doubt, you should seek professional advice.</p> <p>The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.</p>	