

W.I.S.E. – CSI 300 China Tracker® (the “Fund”)

Key Features and Risk Disclosure:

1. W.I.S.E. – CSI 300 China Tracker® (the “Fund”) is an index-tracking exchange traded fund which seeks to track the performance of the CSI 300 Index (the “Index”). The Manager intends to achieve the investment objective of the Fund by investing primarily in certain eligible A Shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (as the case may be).
2. Investment involves risks and the Fund may not be suitable for everyone. Past performance is not indicative of future performance. The 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 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.
3. The key risks to which the Fund is subject to include: general investment risk, the People’s Republic of China (“PRC”) market/emerging market risk/single country concentration risk, passive investment risk, tracking error risk, trading risks, trading differences risks, risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, the “Shanghai and Shenzhen Connect”), equity market risk, foreign exchange and RMB currency and conversion risks, legal and regulatory risk, PRC tax risk, termination risk, reliance on market maker risks, risk associated with investments in A-share access products (“AXPs”) (if any) and risk in relation to distribution.
4. The Fund invests in an emerging market/ the PRC market, which may involve increased risks and special considerations not typically associated with investment in more developed markets.
5. 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 Fund and can only be utilized on a first come, first served basis. Where a suspension in the trading through the programme is effected, the Fund’s ability to invest in A Shares or access the PRC market through the programme will be adversely affected. In such event, the Fund’s ability to achieve its investment objective could be negatively affected.
6. The Fund is subject to foreign exchange and RMB currency and conversion risks. The Fund may also be subject to bid/offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.
7. Based on professional and independent tax advice, the Fund currently will not make the following tax provision (i.e. 10% withholding income tax provision on realised and/or unrealised capital gains from trading of A Shares by the Fund in investing in A Shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect). There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised in the PRC via trading of A Shares through Shanghai and Shenzhen Connect or AXPs invested by the Fund (whether the AXPs previously invested with the Fund was a synthetic ETF or any AXPs that the Fund may invest in the future). Any future changes in the taxation policies will impact on the Fund’s returns. It is possible that any future announcement by the PRC tax authority may subject the Fund to unforeseen tax obligations, which may have retrospective effect.
8. The Manager will normally make distributions out of net income received or receivable by the Fund. 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 distributions be paid out of the capital of the Fund, 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 the capital of the Fund, resulting in an increase in distributable income for the payment of distributions by the Fund and therefore, the Fund may effectively pay distributions out of capital. This may reduce the capital that the Fund has available for investment in future and may constrain capital growth.
9. 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.
10. Please refer to the offering document of the Fund for further details including investment objectives and policies, charges and expenses, risk factors and the arrangement in the event that the Fund is delisted, before making any investment decision.

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Distribution Composition for the last 12 Months^ (as at 31 December 2023)

For the Year of	Currency	ISIN	Distributions per Unit <small>(Note 2)</small>	Composition of Distributions [^] * per Unit	
				Paid out of Net Distributable Income*	Paid out of Capital
1 January 2023 to 31 December 2023	HKD	HK2827039002	HKD 0	HKD 0	HKD 0

[^]Before 13 July 2018, the Manager may in its discretion make distributions to Unitholders in each financial year as the Manager considers appropriate, having regard to the net income of the Fund. With effect from 13 July 2018, the distribution policy of the Fund has been revised so that although distributions will normally be paid out of net income, in the event that net income is insufficient to pay distributions, the Manager may determine in its absolute discretion that distributions be paid out of capital. Please refer to the “Notice to Unitholders” dated 13 June 2018 for details.

Warning: Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on information contained in the table above. Investors should read the relevant offering document (including the Product Key Facts Statement) of the Fund for further details including the risk factors.

1. The Manager will normally make distributions out of net income received or receivable by the Fund. 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 distributions be paid out of the capital of the Fund, or the Manager may, in its discretion, pay distributions out of its gross income while charging / paying all or part of the Fund’s fees and expenses to / out of the capital of the Fund, resulting in an increase in distributable income for the payment of distributions by the Fund and therefore, the Fund may effectively pay distributions out of capital. This may reduce the capital that the Fund has available for investment in future and may constrain capital growth.
2. **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 has the discretion to determine if and to what extent distributions will be paid out of capital. No distributions will be paid by the Fund if the capital of the Fund is insufficient to pay the distributions.**
3. The Manager may in its discretion make distributions to Unitholders in each financial year as the Manager considers appropriate, having regard to the net income of the Fund. The amount of distributions (if any) may go up or go down. The Manager has discretion as to whether or not to make any distributions for the Fund. The Manager also has the sole and absolute discretion to determine or vary the frequency, the dates and amount for distribution. However, there is no guarantee as to whether or not distributions will be made and the amount of distributions to be paid in a financial year. Investors should also note that there is no guarantee of regular distribution payments during the period investors hold the Units of the Fund.

* For the purpose of calculating the composition of distributions, “net distributable income” for a financial year = [income - fees and expenses + net realized gains or loss on disposal of investment (as the case may be) - distributions paid for such financial year].

This document has not been reviewed by the SFC. Issuer: BOCI-Prudential Asset Management Limited