

BOCHK INVESTMENT FUNDS

BOCHK HONG KONG DOLLAR INCOME FUND[†]

June 2024 Issue
(Data as of 31 May 2024)

Important Notes:

- Investment involves risks and the BOCHK Hong Kong Dollar Income Fund (the "Sub-Fund") may not be suitable for anyone. 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, currency risk, concentration risk, credit/counterparty risk, credit rating risk, downgrading risk, interest rate risk, valuation risk, derivative instruments risk, risk in relation to distribution, RMB currency and conversion risks, risk relating to those class(es) of units denominated in a currency other than the base currency, cross-class liability risk and risk associated with instruments with loss-absorption features.
- In respect of Class A – HKD Dis Units, Class A – USD Dis Units and Class A – RMB Dis Units for the Sub-Fund, the Manager will normally make distributions out of net income received or receivable. 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 capital, or the Manager may, in its discretion, pay distributions out of the gross income while charging / paying all or part of the fees and expenses to/out of capital, resulting in an increase in distributable income for the payment of distributions and therefore, the Sub-Fund may effectively pay distributions out of capital. This may reduce the capital 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 of the relevant class.
- Please refer to the offering document of the Sub-Fund for further details including investment objectives and policies, charges and expenses, and risk factors, before making any investment decision.

INVESTMENT OBJECTIVES AND POLICIES

The BOCHK Hong Kong Dollar Income Fund seeks to provide a stable income stream and long-term capital appreciation through investing at least 70% of its non-cash assets in a portfolio which mainly consists of Hong Kong dollar denominated investment grade bonds. The Sub-Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features (LAP).

CUMULATIVE PERFORMANCE [Gross Distribution Reinvested]

Sub-Fund — Class A		3 Months	Year to date	1 Year	3 Years	5 Years	Since Inception
Sub-Fund — Class A	HKD Dis Units	1.03%	1.59%	4.73%	1.81%	7.67%	63.62%
	USD Dis Units	1.09%	1.39%	4.79%	1.00%	7.90%	11.01%
	RMB Dis Units	1.98%	3.50%	6.89%	–	–	14.40%
	Administration	0.94%	1.44%	4.36%	–	–	4.63%
Markit iBoxx ALBI Hong Kong Total Return Index [^]	HKD Dis Units	0.93%	-0.11%	3.92%	-2.38%	5.31%	95.57%
	USD Dis Units	1.00%	-0.30%	3.98%	-3.15%	5.54%	10.17%
	RMB Dis Units	1.88%	1.77%	6.06%	–	–	9.73%
	Administration	0.93%	-0.11%	3.92%	–	–	4.31%

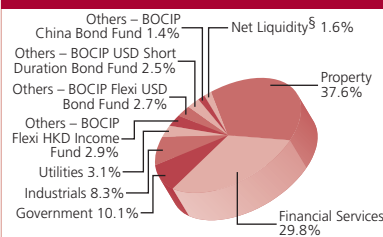
CALENDAR YEAR PERFORMANCE

	Sub-Fund — Class A			Markit iBoxx ALBI Hong Kong Total Return Index [^]				
	HKD Dis Units	USD Dis Units	RMB Dis Units ⁽¹⁾	Administration HKD Acc Units ⁽¹⁾	HKD Dis Units	USD Dis Units	RMB Dis Units ⁽¹⁾	Administration HKD Acc Units ⁽¹⁾
2019	3.10%	3.61%	N/A	N/A	3.78%	4.28%	N/A	N/A
2020	3.89%	4.39%	N/A	N/A	7.33%	7.85%	N/A	N/A
2021	0.08%	-0.47%	-1.69%	N/A	-0.57%	-1.11%	-1.59%	N/A
2022	-4.36%	-4.47%	3.94%	-1.55%	-8.52%	-8.62%	-0.57%	-2.52%
2023	5.15%	5.10%	8.16%	4.77%	7.12%	7.07%	10.19%	7.12%

TOP 10 HOLDINGS

1	CN OVRS FIN VIII 2.9% A 15JAN2025	6.0%
2	HSBC HOLDINGS 1.55% A 03JUN2027	5.3%
3	STANDARD CHART 4.7% A 21MAR2027	4.0%
4	MTR CORP LTD 3.95% Q 29MAY2025	3.4%
5	HK GOVT BOND PRO 2.02% S/A 07MAR2034	3.4%
6	HK MTGE CORP 4.8% A 10SEP2024	3.2%
7	MIZUHO BANK/HK 0.7% A 15JUN2024	3.1%
8	WHARF REIC FIN 0.9% A 30JUN2024	3.1%
9	SWIRE PACIFIC HK 4.4% Q 02MAY2029	3.0%
10	HK MTGE CORP 0.8% A 04OCT2024	2.9%

SECTOR ALLOCATION**



RECENT 12 MONTHS DISTRIBUTION*⁽²⁾ HISTORY

Record Date	Distribution Per Unit		Fund Price on Record Date	
May 31, 2024	Class A – HKD Dis Units	HKD 0.0354	Class A – HKD Dis Units	HKD 10.5937
	Class A – RMB Dis Units	RMB 0.0328	Class A – RMB Dis Units	RMB 9.8417
Apr 30, 2024	Class A – HKD Dis Units	HKD 0.0351	Class A – HKD Dis Units	HKD 10.5199
	Class A – RMB Dis Units	RMB 0.0325	Class A – RMB Dis Units	RMB 9.7556
Mar 31, 2024	Class A – HKD Dis Units	HKD 0.0355	Class A – HKD Dis Units	HKD 10.6274
	Class A – RMB Dis Units	RMB 0.0329	Class A – RMB Dis Units	RMB 9.8588
Feb 29, 2024	Class A – HKD Dis Units	HKD 0.0354	Class A – HKD Dis Units	HKD 10.5915
	Class A – RMB Dis Units	RMB 0.0326	Class A – RMB Dis Units	RMB 9.7480
Jan 31, 2024	Class A – HKD Dis Units	HKD 0.0354	Class A – HKD Dis Units	HKD 10.6162
	Class A – RMB Dis Units	RMB 0.0326	Class A – RMB Dis Units	RMB 9.7423
Dec 31, 2023	Class A – HKD Dis Units	HKD 0.0532	Class A – HKD Dis Units	HKD 10.6213
	Class A – RMB Dis Units	RMB 0.0487	Class A – RMB Dis Units	RMB 9.6855
Sep 30, 2023	Class A – HKD Dis Units	HKD 0.0517	Class A – HKD Dis Units	HKD 10.3243
	Class A – RMB Dis Units	RMB 0.0483	Class A – RMB Dis Units	RMB 9.6044
Jun 30, 2023	Class A – HKD Dis Units	HKD 0.0522	Class A – HKD Dis Units	HKD 10.4328

CREDIT RATING (Bond)

AAA	0.0%
AA	18.6%
A	43.2%
BBB	29.8%
Others	8.4%

FUND DATA (Class A)

Investment Manager	Fixed Income Team			
Fund Size (Million)	HKD 5,057.25			
Inception Date	Class A – HKD Dis Units	Class A – USD Dis Units	Class A – RMB Dis Units	Class A – Administration HKD Acc Units
	12 July 2002	8 December 2017	12 October 2021	20 May 2022
Base Currency	HKD			
Currency Class	HKD/USD/RMB			
Management Fee (p.a.)	0.5%			
Initial Charge	3% [△] or waived ^{△△}			
Switching Fee	1% [▲] or waived ^{▲▲} or Nil ^{▲▲▲}			
Distribution	Aim to make distributions monthly* for Class A - HKD Dis Units, Class A - USD Dis Units and Class A - RMB Dis Units (Distribution rate is not guaranteed; distributions may be paid out of capital <small>Please note points 3 & 4 of Important Notes</small>)			
Risk Level [◆]	Low to Medium			
	Class A – HKD Dis Units	Class A – USD Dis Units	Class A – RMB Dis Units	Class A – Administration HKD Acc Units
NAV per unit	HKD 10.5937	USD 1.3541	RMB 9.8417	HKD 10.4627
12 Months NAV ^{††}	Highest: HKD 10.6274	USD 1.3602	RMB 9.8588	HKD 10.4627
	Lowest: HKD 10.2802	USD 1.3138	RMB 9.5153	HKD 9.9847
Morningstar Overall Rating ^{™†††}	★★★★	★★★★★	–	–
Standard Deviation	2.84%	3.01%	–	–
Beta	0.50	0.52	–	–
Bloomberg Tickers	BOCHDIA HK EQUITY	BOCHDAU HK EQUITY	BOARUAY HK EQUITY	BOHAUAA HK EQUITY
ISIN Codes	HK0000039773	HK0000381381	HK0000784014	HK0000847233

The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 9.5% of the Sub-Fund's fund size.

◇ The Sub-Fund is regarded as an "Eligible Collective Investment Scheme" under the new Capital Investment Entrant Scheme (the "New CIES") launched by the Government of Hong Kong Special Administrative Region on 1 March 2024. For further details of the New CIES, please visit the relevant website at www.newcies.gov.hk.

(1) The calendar year performance for 2021 of Class A – RMB Dis Units refers to the period from the inception date (12 October 2021) to 31 December 2021, while the calendar year performance for 2022 of Class A – Administration HKD Acc Units refers to the period from the inception date (20 May 2022) to 30 December 2022.

* With effect from 20 May 2022, Class A – Administration HKD Acc Units relating to the Sub-Fund have been launched. The distribution policy in respect of Class A – HKD Dis Units, Class A – USD Dis Units, Class A – RMB Dis Units and Class A – Administration HKD Acc Units for the Sub-Fund are as follows:

For Class A – Administration HKD Acc Units: No distribution is intended to be made. Therefore, any net income and net realised capital gains attributable to these Units will be accumulated and reflected in its Net Asset Value.

For Class A – HKD Dis Units, Class A – USD Dis Units and Class A – RMB Dis Units: The Manager may, subject to its discretion, declare distributions on a monthly basis ^(see note). Distributions will normally be paid out of net income, and in the event that the net income is insufficient to pay the distributions, the Manager may determine in its discretion that distributions be paid out of capital, or the Manager may, in its discretion, pay distributions out of the gross income while charging/paying all or part of the fees and expenses to/out of capital, resulting in an increase in distributable income for the payment of distributions and therefore, the Sub-Fund may effectively pay distributions out of capital. The Manager has discretion as to whether or not to make any distributions for the Sub-Fund, the frequency of distributions, the dates and the amount of distributions. The Manager also has the discretion to determine if and to what extent distributions will be paid out of capital of the Sub-Fund. Please also 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). Information contained in the website of the Manager has not been reviewed by the SFC. (Note: Distribution frequency has been changed from quarterly to monthly basis with effect from 1 January 2024.)

(2) As of the respective Record Date, there were no Unitholders of the Class A – USD Dis Units of the Sub-Fund. Therefore, no distribution history is available.

† Data Source – © 2024 Morningstar, Inc. All Rights Reserved.

▲ Prior to 1 April 2016, HSBC Hong Kong Dollar Bond Index was used as the reference index of the Sub-Fund. As HSBC transferred Asian Bond Indices to Markit, the reference index has been changed to Markit iBoxx ALBI Hong Kong Total Return Index (denominated in HKD) with effect from 1 April 2016, since this index covers the same market and employs substantially similar index rule as HSBC. The Markit iBoxx ALBI Hong Kong Total Return Index referenced herein is the property of Markit Indices Limited and is used under license. The Sub-Fund is not sponsored, endorsed, or promoted by Markit Indices Limited.

** 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".

§ "Net Liquidity" was formerly named as "Cash & Deposit".

◆ 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 29 December 2023 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.

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

△ For Class A – HKD Dis Units, Class A – USD Dis Units and Class A – RMB Dis Units.

△△ For Class A – Administration HKD Acc Units.

▲ For switching from Units other than Administration Classes of Units into a different class of Class A Units (other than Administration Classes of Units) relating to the same Sub-Fund (such as switching between different currency classes of Units or from Accumulation Classes to Distribution Classes or vice versa) or switching into Class A Units (other than Administration Classes of Units) of another Sub-Fund which is not a Money Market Sub-Fund (as defined in the Explanatory Memorandum) ("Non-Money Market Sub-Fund").

▲▲ For switching from Administration Classes of Units into a different class of Class A Units relating to the same Sub-Fund or switching into Class A units of another Non-Money Market Sub-Fund.

▲▲▲ For switching into Units of a Money Market Sub-Fund.

Investors should note that Bank of China (Hong Kong) Limited is not the Manager of the Sub-Fund and will only act as the Sponsor and Distributor whilst BOCI-Prudential Asset Management Limited is the Manager. Fund performance is calculated in the base currency of the Sub-Fund or the denominated currency of the relevant class of Units of the Sub-Fund on NAV-to-NAV basis with gross distribution reinvested. The data for "Standard Deviation", "Beta" and "Morningstar Overall Rating[™]" will not be shown for the Sub-Fund or the relevant class of the Units of the Sub-Fund with less than 3-year history. "Standard Deviation", a risk measurement, is based on the monthly return of the Sub-Fund or the relevant class of Units of the Sub-Fund over the past 3 years in the base currency of the Sub-Fund or the denominated currency of the relevant class of Units of the Sub-Fund. "Beta" measures the sensitivity of the return of the Sub-Fund or the relevant class of Units of the Sub-Fund to the changes in its reference index. This document is issued by BOCI-Prudential Asset Management Limited and has not been reviewed by the SFC.