

# Capital Investment Entrant Scheme

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## Eligible Collective Investment Scheme

Q3 2021 (data as of 30 September 2021)

### Important Notes :

1. Investment involves risk and the Sub-Funds of the BOCHK Investment Funds, NCB Investment Funds and BOCIP Asset Management Investment Funds (the "Sub-Funds") mentioned in this document may not be suitable for everyone.
2. Past performance is not indicative of future performance. The Sub-Funds are subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Price of Units and the income generated from them (if any) may go down as well as up. Therefore, 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. Investing in emerging markets / the People's Public of China ("PRC") may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks / control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.
4. For those Sub-Funds that invest in single country / region, they are subject to concentration or single country / region risk.
5. For those Sub-Funds with investments relating to Mainland market, they are subject to the risks specific to the China market. They may also be subject to PRC tax risk.
6. For those Sub-Funds invest in equities, the relevant Sub-Funds' 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.
7. For those Sub-Funds invest in the equity market in Mainland China, they are subject to risk associated with high volatility of the equity market in Mainland China, and risk associated with regulatory / exchanges requirements / policies of the equity market in Mainland China.
8. For those Sub-Funds which have direct access to certain eligible A shares via Shanghai-Hong Kong Stock Connect and / or Shenzhen-Hong Kong Stock Connect, they are subject to risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the "Shanghai and Shenzhen Connect"). 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-Funds 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-Funds' ability to invest in A shares or access the PRC market through the programme will be adversely affected. In such event, the Sub-Funds' ability to achieve their investment objectives could be negatively affected.
9. For those Sub-Funds that may invest in A shares indirectly through investment in equity linked instruments ("ELIs") issued by institutions or their affiliates with Qualified Foreign Investors / Qualified Investors or QI ("QI") status in the PRC, they are subject to risk relating to Investment in ELIs, including: illiquidity risk, potential lack of economic benefits of underlying A shares, repatriation risk, valuation risk, credit risk and QI risk.
10. For those Sub-Funds that may invest in debt securities, they are subject to credit / counterparty risk, credit rating risk, interest rate risk, downgrading risk, valuation risk, sovereign debt risk, and liquidity and volatility risks (if applicable).
11. For those Sub-Funds that may invest in Mainland China onshore debt securities / fixed income instruments, they are subject to credit rating agency risk associated with investments in Mainland China onshore debt securities / fixed income instruments.
12. For those Sub-Funds that may invest in debt securities / fixed income instruments in Mainland market, they are subject to liquidity and volatility risks associated with investments in debt securities / fixed income instruments in Mainland market.
13. For those Sub-Funds that may invest in debt securities rated below investment grade or unrated debt securities, investors should be aware such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
14. For those Sub-Funds that may invest in debt instruments with loss-absorption features, investors should be aware such debt instruments are subject to greater risks when compared to traditional debt instruments.
15. For those Sub-Funds that may use derivatives, they are subject to derivative instruments risk.
16. For those Sub-Funds invest primarily in or their investments are concentrated in single, limited or specialist sector(s) or particular industry sector(s), they are subject to sector concentration risk and risk of investing in specific sector(s).
17. For those Sub-Funds which may invest in other collective investment schemes ("CISs") / funds, they are subject to the risks of investing in other CISs / funds.
18. For those Sub-Funds with investments in ETFs, they are subject to the risks relating to investment in ETFs.
19. In relation to the distribution policy of those Sub-Funds for which the Manager will declare an indicative per annum distribution rate at the beginning of the calendar year, Unitholders will receive written notice regarding such indicative per annum distribution rate. 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.
20. In relation to those Sub-Funds that may pay distributions out of capital or effectively out of capital:
  - i) 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; and
  - ii) investors should be aware that in circumstances where payment of distributions out of capital or effectively out of capital 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 distribution 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.
21. Investors should also note the liquidity risk, risks relating to obligations to comply with Automatic Exchange of Financial Account Information, risks relating to obligations under Foreign Account Tax Compliance Act ("FATCA") Regulations, and withholding tax risk under FATCA regime.
22. Please refer to the offering document of the Sub-Funds for further details including investment objectives and policies, charges and expenses, and risk factors, before making any investment decision.
23. This document is for information purposes only and may be amended. The Hong Kong Special Administrative Region ("HKSAR") Government has announced that the Capital Investment Entrant Scheme 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](http://www.immd.gov.hk/eng/services/visas/capital_investment_entrant_scheme.html).

Fund	Objectives	Distribution	Feature
BOCHK China Consumption Growth Fund (Class A - HKD Dis Units)#	The Sub-Fund seeks to provide investors with long-term capital growth by investing primarily (at least 70% of its non-cash assets) in listed equities or equity-related securities (including warrants and convertible securities) issued by or linked to companies which activities relate to or benefit from growth in domestic consumption in Hong Kong and/or Mainland China. Such companies are principally engaged in the manufacture, sale, provision or distribution of goods and/or services to consumers.	● Aim to make distributions quarterly^(Distribution rate is not guaranteed; distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	Two sector funds in the list of Eligible Collective Investment Schemes For investors seeking exposure to investment opportunity in particular sector
NCB China Resources Opportunities Fund	The Sub-Fund seeks to capture medium to long-term capital appreciation opportunities through investment in a diversified portfolio of resources and energy related investment instruments that are related to the economic growth or development of the PRC.	● Aim to make distributions annually^(Distribution rate is not guaranteed; distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	
BOCHK China Equity Fund (Class A - HKD Units)	The Sub-Fund is an equity fund which aims to provide investors with long-term capital growth through investment mainly (i.e. at least 70% of its non-cash assets) in the listed equities and equity related securities (including warrants and convertible securities) of companies whose activities are closely related to the economic development and growth of the economy of the PRC.	Not Applicable *	
NCB China Equity Fund	The Sub-Fund is an equity fund which aims to provide investors with long-term capital growth through investment mainly (at least 70% of its non-cash assets) in the listed equities and equity related securities (including warrants and convertible securities) of companies whose activities are closely related to or benefit from the economic development and growth of the economy of Mainland China and Hong Kong.	● Aim to make distributions quarterly^(Distribution rate is not guaranteed; distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	Single region equity fund For investors who have a medium to long-term investment horizon and seek exposure to Chinese/ Hong Kong equities
BOCHK Hong Kong Equity Fund (Class A - HKD Units)	The Sub-Fund is an equity fund which seeks to achieve long-term capital growth through investment mainly (at least 70% of its non-cash assets) in the listed equities and equity related securities (including warrants and convertible securities) of companies operating principally in Hong Kong, or linked directly or indirectly to the Hong Kong economy.	Not Applicable *	
BOCIP Hong Kong Low Volatility Equity Fund	The Sub-Fund seeks to provide investors with medium-term capital growth by investing primarily in equity securities listed or to be listed on the Stock Exchange of Hong Kong Limited ( "SEHK" ), including H shares, red-chip companies, exchange traded funds ( "ETFs" ) (including ETFs managed by the Manager) and real estate investment trusts ( "REITs" ).	Not Applicable *	Seeks to achieve a reduced level of volatility against the broad market. Stock selection is based on identifying stocks with lower volatility and other characteristics based on the Manager's internal selection process.
BOCIP Hong Kong Value Fund (Class A - HKD Units)	The Sub-Fund seeks to provide investors with long term capital growth by investing primarily in equity securities listed or to be listed on the SEHK (including H shares, shares of red-chip companies, shares of other companies, ETFs (including ETFs managed by the Manager) and REITs listed on the SEHK) or listed equities issued by companies which have business or operations or interests in Hong Kong.	● Aim to make distributions quarterly^(Distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	Stock selection is based on relative value analysis; look for companies that offer growth potentials with good fundamentals and trading at reasonable valuations
BOCIP China Value Fund (Class A - HKD Units)	The Sub-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.	● Aim to make distributions quarterly^(Distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	Stock selection is based on "intrinsic valuation matrix" which seeks to identify companies with growth potentials, good fundamentals and/or attractive valuations
BOCHK Hong Kong Dollar Income Fund (Class A - HKD Units)	The Sub-Fund is an income fund which 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 (rated Baa3 or better by Moody's or other credit rating agency of similar standing). The Sub-Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features (LAP).	● Aim to make distributions quarterly^(Distribution rate is not guaranteed; distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	One of the seven bond funds in the list of Eligible Collective Investment Schemes
BOCIP Flexi HKD Income Fund	The Sub-Fund is a bond fund which seeks to provide long-term capital appreciation through a portfolio which mainly (at least 70% of its Net Asset Value) consists of Hong Kong dollar denominated and settled bonds and other fixed income securities. Not less than 50% of the Sub-Fund's Net Asset Value will be invested in investment grade fixed income securities. Up to 50% of the Sub-Fund's Net Asset Value may be invested in, but are not limited to, high-yield debt securities, which may be listed or unlisted, and may or may not be rated by ratings agencies and may not be of investment grade. The Sub-Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features (LAP).	● Aim to make distributions monthly^(Distributions may be paid out of capital <sup>Please note point 20 of Important Notes</sup> )	One of the seven bond funds in the list of Eligible Collective Investment Schemes

# BOCHK China Consumption Growth Fund (Class A - HKD Dis Units) was previously referred to as BOCHK China Consumption Growth Fund (Class A - HKD Units).

^ For NCB China Resources Opportunities Fund, the Manager intends to declare distributions to unitholders on an annual basis, by the end of September. For BOCHK China Consumption Growth Fund (Class A - HKD Dis Units), NCB China Equity Fund, BOCIP Hong Kong Value Fund, BOCIP China Value Fund and BOCHK Hong Kong Dollar Income Fund, the Manager intends to declare distributions to unitholders on a quarterly basis, by the end of March, June, September and December respectively. For BOCIP Flexi HKD Income Fund, the Manager intends to declare distributions to unitholders on a monthly basis, by the end of each month. Investors should refer to point 20 — the information in relation to those Sub-Funds that may pay distributions out of capital or effectively out of capital in the "Important Notes" section above and the Manager's website for the distribution policy and composition of the latest distribution (including distribution composition from net income and from capital).

\* The Manager does not intend to make distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund.

	Inception Date	Cumulative Return(%)					Calendar Year Performance (%)					
		YTD	1Year	3Years	5Years	Ann. 3 Yrs Volatility(%)	2020	2019	2018	2017	2016	
Eligible Collective Investment Scheme	BOCHK China Equity Fund (Class A - HKD Units)	25/10/2002	-14.77	0.12	14.99	41.00	20.96	26.38	21.01	-20.06	44.90	-0.96
	BOCHK Hong Kong Equity Fund (Class A - HKD Units)	12/07/2002	-8.47	6.23	-1.99	21.72	19.12	2.67	12.62	-12.55	39.91	1.37
	BOCHK Hong Kong Dollar Income Fund (Class A - HKD Units)	12/07/2002	0.49	1.17	8.91	10.06	1.04	3.89	3.10	1.49	1.85	0.78
	NCB China Equity Fund	27/06/2007	-14.89	-0.37	13.94	40.93	20.79	25.47	20.84	-20.07	46.61	-0.77
	BOCHK China Consumption Growth Fund(Class A - HKD Dis Units)^	28/03/2008	-10.48	8.31	54.86	97.24	21.35	49.38	29.21	-19.27	52.53	-4.48
	NCB China Resources Opportunities Fund	31/10/2007	30.80	53.54	18.90	48.51	19.17	-4.68	6.23	-6.82	23.13	4.17
	BOCIP China Value Fund (Class A - HKD Units)	21/01/2011	5.30	17.19	-5.49	8.50	20.66	-8.63	9.40	-11.91	22.19	-5.13
	BOCIP Hong Kong Value Fund (Class A - HKD Units)	30/09/2014	3.49	14.43	-9.52	6.48	19.46	-12.81	6.06	-10.53	30.84	4.19
	BOCIP Hong Kong Low Volatility Equity Fund	21/08/2015	2.46	13.69	-4.08	27.02	15.94	-6.00	7.91	-9.40	38.33	7.16
	BOCIP Flexi HKD Income Fund	20/12/2013	-0.35	0.65	6.01	4.99	1.45	3.75	2.12	-0.29	1.41	-0.03

^ BOCHK China Consumption Growth Fund (Class A - HKD Dis Units) was previously referred to as BOCHK China Consumption Growth Fund (Class A - HKD Units). Past performance is not indicative of future performance. Price of Units and the income generated from them (if any) may go down as well as up. Therefore, investors could face no returns and / or suffer significant loss related to the investments.

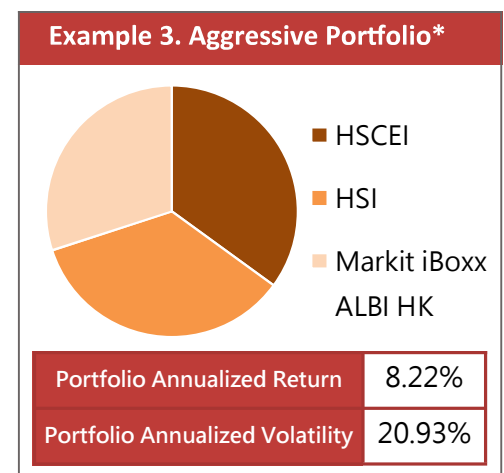
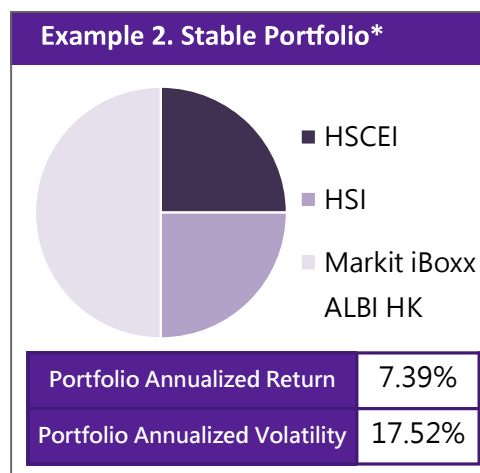
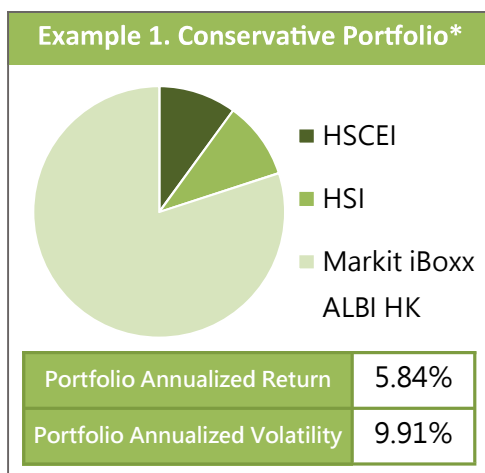
Source: Morningstar (Asia); Data as of 30/9/2021; Performance of the Sub-Funds included distribution.

## Seek to construct your portfolio through asset allocation

With the instability of current global economy, an appropriate asset allocation can effectively diversify the investment risk. Investors can construct their appropriate portfolio according to their own investment preference and risk tolerance levels.

In the following examples, the Hang Seng China Enterprises Index (HSCEI), Hang Seng Index (HSI) and Markit iBoxx ALBI Hong Kong Total Return Index^ (Markit iBoxx ALBI HK) are used to represent the exposure to China equity, Hong Kong equity and HKD bond respectively. Index performances are expressed in a total return basis.

Index	Cumulative Return	Annualized Return	Example 1	Beginning Weight Example 2	Example 3
HSCEI	931.72%	11.37%	10%	25%	35%
HSI	230.93%	5.68%	10%	25%	35%
Markit iBoxx ALBI HK	156.95%	4.45%	80%	50%	30%



Past performance is not indicative of future performance. Price of Units and the income generated from them (if any) may go down as well as up. Therefore, investors could face no returns and / or suffer significant loss related to the investments.

Source: Morningstar (Asia), Lipper; Data as of 30/9/2021; Performance of the sub-funds included distribution.

\* Data is from 31/1/2000 to 30/9/2021; the examples shown on this page reflect the past portfolio return and volatility with a buy-and-hold strategy.

^ Prior to 1/4/2016, HSBC Hong Kong Dollar Bond Index was used. As HSBC transferred Asian Bond Indices to Markit, Markit iBoxx ALBI Hong Kong Total Return Index is used from 1/4/2016 onwards, since the 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 relevant sub-funds are not sponsored, endorsed, or promoted by Markit Indices Limited.

The statistical information and historical figures are for illustrative purpose and are for reference only and should not be considered as a projection or prediction of future results or a guide to future performance.

### Important information:

- Investment involves risks and is subject to market fluctuations and inherent risks. Investment in emerging markets involves special risks and considerations. Investors could face no returns and/or suffer significant loss related to the investments. Past performance is not indicative of future performance. Fund performance is calculated in sub-fund currency on NAV-to-NAV basis with gross distributions re-invested. Investors should carefully consider their own investment objectives, risk tolerance level and other circumstances. Please refer to the offering document of the sub-funds for further details (including risk factors, fees and fund information).
- Investors should note that Bank of China (Hong Kong) Limited and Nanyang Commercial Bank Limited are not the Manager of the BOCHK Investment Funds and NCB Investment Funds whilst BOCI-Prudential Asset Management Limited is the Manager. Bank of China (Hong Kong) Limited will act as the Sponsor of BOCHK Investment Funds and the Distributor of certain sub-funds of BOCHK Investment Funds, Nanyang Commercial Bank Limited will act as the Sponsor and Distributor of NCB Investment Funds.
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