

BOCHK WEALTH CREATION SERIES (“FUND”)
BOCHK ALL WEATHER ESG MULTI-ASSET FUND (“SUB-FUND”)

Supplemental information to the section headed “PERIODIC ASSESSMENT AND REPORTING ON HOW BOCHK ALL WEATHER ESG MULTI-ASSET FUND HAS ATTAINED ITS ESG FOCUS (UNAUDITED) 30 JUNE 2023”

Capitalised terms used herein not otherwise defined have the meaning ascribed to those terms in the Annual Report of the Fund for the year ended 30 June 2023 (“Annual Report”). This document should be read in conjunction with the Annual Report. BOCHK Asset Management Limited (the “Manager”) accepts full responsibility for the accuracy of the information contained in this document and confirms, having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

Currently, the Manager actively selects, and the IA provides the ESG ratings with respect to, the issuers of investments which the Manager considers to be representative of the global bond and equity markets (“**Proposed Investments**”). The Proposed Investments are subject to change from time to time depending on the market changes and the Manager’s active asset allocation. The Manager will also seek the IA’s ad hoc assessment if there are any target investment or any new issuer which does not fall into the scope of the Proposed Investments, with respect to which the IA will also provide the ESG ratings. The Manager had made the determination to invest into securities in the Proposed Investments for the Sub-Fund as they are in line with the Sub-Fund’s investment objective and investment strategies. In doing so, the securities in the Proposed Investments will be filtered through the methodologies supplied by the IA and the Manager.

Under the IA’s methodology, as of June 2023, more than 18,000 issuers were rated. 40-50% of the rated issuers were rated level D or above.

Rated issuers that were rated level E under the IA’s methodology will be further assessed using the Manager’s proprietary ESGRM methodology.

For the ESGRM methodology, in addition to level-E companies, it is also specifically designed to assess companies in the developing markets. Under the ESGRM methodology, as of 30 June 2023, around 50% of the rated issuers were categorised as eligible and fell into the eligible ESG investment universe.

It is hereby clarified that, as far as the Annual Report is concerned, as of 30 June 2023, 14.5% of the investment universe, in this context referring to the securities of the Proposed Investments filtered through the methodologies supplied by the IA and the Manager, was eliminated as a result of the Sub-Fund’s ESG-related screening. Such methodologies have been consistently applied as described in the offering documents and the elimination percentage is a result of filtering of the Proposed Investments, of which the universe base is different from that under the IA’s or the Manager’s methodology.

With respect to the IA’s methodology, the ‘top 50% of the assessed investment universe’ as disclosed in the offering documents refers to issuers rated level D or above (around 50% of the total number of rated issuers). With respect to the Manager’s methodology, the ‘top 50% of the assessed investment universe’ as disclosed in the offering documents refers to more than 550 issuers considered in the emerging market rated eligible using the ESGRM methodology, which also comprises around 50% of the rated issuers.

The content of this document has been notified to the auditor.

If you have any queries or require further information in relation to any aspect of this document, please contact the Manager, BOCHK Asset Management Limited, at 40/F, Bank of China Tower, 1 Garden Road, Central, Hong Kong, or by telephone at (852) 3982 6277.

30 April 2024

BOCHK Asset Management Limited