

**Important Information:**

1. BOCHK All Weather Asian Bond Fund (the “Fund”) is a Sub-Fund of BOCHK Wealth Creation Series.
2. The Fund aims to provide income and capital growth over the medium to longer term by investing primarily in fixed income securities issued by any Asia Pacific governments, government agencies, supra-nationals, banks or companies which derive substantial revenue from or have significant business or economic activities in Asia Pacific or are denominated in any Asia Pacific currency.
3. Investment involves risks. The Fund involves significant risks including but not limited to market risk, concentration risk –investments in Asia Pacific markets, emerging markets risk, currency risk, risks relating to debt securities, equity investment / volatility risk, risks of investing in other collective investment schemes, risks of investing in convertible bonds, risks of investing in exchange –traded funds (ETFs), risks of investing in real estate investment trusts (REITs), risks of investing in American Depositary Receipts (ADRs), RMB hedged class risk and RMB risk, risks relating to hedging and the hedged classes, risks associated with distribution out of capital etc. Past Performance is not indicative of future performance. Investors may not get back the full amount of capital invested.
4. The Manager may at its discretion pay distribution out of, or effectively out of, capital of the Fund. Investors should note that the payment of distributions out of, or effective out of, capital represents a return or withdrawal of part of the amount the investors originally invested or from any capital gains attributable to that original investment. Any distributions involving payment of dividends out of, or effectively out of, capital of the Fund may result in an immediate reduction of the net asset value of the relevant classes of Units.
5. Investors should not solely rely on this document to make any investment decision. Please refer to the Explanatory Memorandum and the relevant appendix in detail (including the full text of risk factors stated therein) about the Fund.

11 August 2016

**BOCHK Asset Management Launches “BOCHK All Weather Asian Bond Fund”**

BOCHK Asset Management Limited (the “Company”) announced the launch of “BOCHK All Weather Asian Bond Fund” (the “Fund”) today. A sub-fund of the BOCHK Wealth Creation Series, the Fund aims to achieve medium- to long-term income growth and capital appreciation through investing in Asian bonds, including US dollar-denominated bonds and local currency bonds.

The Fund is available in USD, HKD and RMB (hedged) classes with minimum subscription amounts of USD1,000, HK\$10,000 and RMB10,000 respectively.

It is now open for subscription through Bank of China (Hong Kong) (“BOCHK”), Chiyu Banking Corporation (“Chiyu”) and Nanyang Commercial Bank (“NCB”) until 30 August<sup>1</sup>.

Mr Ben Yuen, Chief Investment Officer, Fixed Income, BOCHK Asset Management Limited, said, “While the global economy has experienced a modest recovery since the financial turmoil in 2008, the increasing uncertainties after the Brexit vote have forced the central banks to maintain their accommodative monetary policies to support the economy and stabilise the financial market, posing challenges to further rate hikes.

“For example, the U.S. announced its first rate hike in a decade in December 2015. Despite the improving manufacturing data so far, the unstable employment data has postponed the significant reduction of its balance sheet. We believe that the pace of the U.S. rate hike is expected to be much slower. Chair of the U.S. Federal Reserve Janet Yellen also admitted in June that low productivity and aging population weighing on the U.S. and throughout much of the world could further contain rate hikes.

“Amidst weak economic recovery and sustained low interest rate environment, the market seeks higher yields and a balanced interest rate/risk profile. With their broad investment types and higher yields, Asian bonds become the preferred choice of investors.”

Referring to the Asian USD Bond Index<sup>2</sup>, the index yield is 3.2% as at June 30 2016, which is higher than the yield of G7 Government Bond Index<sup>2</sup> of 0.5%. Besides, over the past decade, the Asian USD Bond Index performed well in a low interest environment. From early January 2006 to 30 June 2016, the Asian USD Bond Index recorded an average annualised return of 7.2% and an average annualised volatility of 4%. It shows that investing in Asian Bond market can help to capture the potential development of Asian market.

Mr Moses Lui, Managing Director & Head of Distribution Business, BOCHK Asset Management Limited, said, “The newly launched ‘BOCHK All Weather Asian Bond Fund’ gives investors the choices of investing in local currency bonds or USD bonds in the Asian countries and regions (including Japan). We notice that relatively high volatility products like high yield bond funds are well received by the market over the past few years. But without much signs of turnaround in the economic environment, the products with lower volatility have started to be in focus. As such, investment grade bonds account for at least 50% of the Fund’s net asset value.

“The immense Asian bond market offers the fund manager a diversity of investment choices, in terms of countries, sectors, credit rating and currencies, which in turn allow the manager to capture the investment opportunity for the portfolio, as well as diversify risk. As a wholly-owned subsidiary of BOC (Hong Kong) Holdings Limited, we are able to leverage the Group’s macroeconomic analyses and insights into the credit market, and select the highest-conviction bonds with the help of our self-developed credit risk grading system.”

BOCHK All Weather Asian Bond Fund has the following features:

- Flexible selection of optimal investment opportunities: Flexibly investing in Asia (including Japan), highly-rated and high-yield bonds, a variety of industries as well as local currency or US dollar bonds
- Investment grade bonds accounting for not less than 50% of the net asset value
- Aiming at a monthly distribution of dividends (Dividends are not guaranteed and may be paid out of capital. Please refer to Item 4 of Important Information. The Fund intends to pay its first dividends three months after the launch.)
- Subject to rigorous investment processes and managed by an award-winning investment team<sup>3</sup> with extensive experience in bond selection

For customer enquiry regarding the Fund, please call the respective Customer Service Hotlines at (852) 3988 2388 (BOCHK), (852) 2622 2633 (Chiyu) and (852) 2232 3633 (NCB).

Notes:

1. Units of the Fund are available for subscription during the period commencing 9:00 am (Hong Kong time) on 11 August 2016 to 5:00 pm (Hong Kong time) on 30 August 2016 (or such other dates or time as BOCHK Asset Management (the "Manager") and the Trustee may determine). It is expected that the first dealing day will be 31 August 2016. If such day is not a Business Day, the following Business Day will become the first dealing day.
2. Asian USD Bond Index refers to "JP Morgan Asian Credit Index" while G7 Government Bond Index refer to "BofA Merrill Lynch G7 Government Bond Index".
3. BOCHK Asset Management Limited (the "Company") has an award-winning fixed income investment team. From 2012 to 2015, the Company has been granted "Best of the Best Performance Awards" for different fixed income products by Asia Asset Management for past years. In 2015, the Company has also been honoured by the Benchmark's "Fund of the Year Awards 2015" in the mutual fund sector, winning the award for Best-in-Class, High Yield Fixed Income and Outstanding Achiever, RMB Fixed Income.

This press release is issued by BOCHK Asset Management Limited. This press release has not been reviewed by the Securities and Futures Commission ("SFC") of Hong Kong. This press release is for informational purposes only and does not constitute any offer or recommendation to anyone to invest in the Fund. Investors should not solely rely on this press release to make any investment decision or any other decision. Any investment decision should be based on appropriate professional advice specific to the investors' needs. The Fund does not have any guarantees. Investors may not get back the full amount of money they invest. Investment involves risk. Past performance is not indicative of future performance. Please refer to offering documents (including the Explanatory Memorandum) for further details including but not limited to the full text of risk factors stated therein (in particular those associated with investments in emerging markets).

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### **About BOCHK Asset Management Limited**

Established in 2010, BOCHK Asset Management Limited (“BOCHK AM”) is a wholly-owned subsidiary of BOC Hong Kong (Holdings) Limited. BOCHK AM is committed to providing retail and institutional investors with a wide array of bond and equity products, as well as comprehensive investment solutions tailored to their risk/return profile. In addition, the company also manages investment funds for clients and customises discretionary investment portfolios to maximise the potential returns.

Since its establishment, BOCHK AM has received numerous industry awards<sup>#</sup> in recognition of its outstanding performance. In 2015, the company garnered the “Best Three-year Offshore RMB Bonds” and “Most Innovative Product in Hong Kong” awards by *Asia Asset Management*, and was also named the “Best-in-Class, High Yield Fixed Income” and “Outstanding Achiever, RMB Fixed Income” by *BENCHMARK*.

# Source: For “Asia Asset Management” awards, please visit [www.asiaasset.com](http://www.asiaasset.com). For “BENCHMARK Fund of the Year Awards 2015”, please visit [www.fundawards.asia.com](http://www.fundawards.asia.com).

### **About Bank of China (Hong Kong) Limited**

Bank of China (Hong Kong) Limited (“BOCHK”) is a leading listed commercial banking group in Hong Kong with strong market positions in all major businesses. It has the most extensive local branch network and diverse service platforms, including about 220 branches, efficient e-channels of over 1,000 self-service machines, Internet and mobile banking services, as well as corporate banking centres. It offers a comprehensive range of financial, investment and wealth management services to personal, corporate, SME and institutional customers. BOCHK is one of the three note-issuing banks and the Clearing Bank for Renminbi business in Hong Kong. With its strong RMB franchise, BOCHK is the first choice for customers in this business. Through the deep collaboration with its parent bank, Bank of China, it provides a full range of high quality cross-border services to multinationals, cross-border customers, Mainland enterprises going global, central banks and super-sovereign organisations.

BOC Hong Kong (Holdings) Limited, BOCHK’s holding company, is listed on the main board of the Stock Exchange of Hong Kong, with stock code “2388”, ADR OTC Symbol “BHKLY”.