

**PRODUCT KEY FACTS**  
**BOCHK Wealth Creation Series –**  
**BOCHK All Weather Asian Bond Fund**

April 2024

Issuer: BOCHK Asset Management Limited 中銀香港資產管理有限公司

- *This statement provides you with key information about BOCHK All Weather Asian Bond Fund.*
- *This statement is a part of the offering document.*
- *You should not invest in this product based on this statement alone.*

## Quick facts

<b>Manager:</b>	BOCHK Asset Management Limited 中銀香港資產管理有限公司
<b>Trustee:</b>	BOCI-Prudential Trustee Limited 中銀國際英國保誠信託有限公司
<b>Custodian:</b>	Bank of China (Hong Kong) Limited 中國銀行(香港)有限公司
<b>Dealing frequency:</b>	Daily
<b>Base currency:</b>	USD
<b>Dividend policy:</b>	Class A1 (USD), Class A2 (HKD), Class A3 (AUD-H), Class A4 (NZD-H), Class A5 (CAD-H), Class A6 (GBP-H), Class A7 (RMB-H), Class A8 (EUR-H), Class A9 (RMB), Class A10 (SGD-H), Class A11 (JPY-H), Class A12 (CHF-H) and Class A13 (HKD-H): declared and paid on a monthly basis (subject to the Manager's discretion). Dividends may be paid out of the capital or effectively out of capital <sup>#</sup> of the relevant Class. Payment of dividends out of capital or effectively out of capital may result in an immediate reduction of the net asset value of the relevant Class. Class C1 (USD), Class C2 (HKD), Class C3 (RMB-H), Class C4 (RMB) and Class C5 (HKD-H): Currently no distribution

# The Manager may at its discretion pay dividend out of gross income while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund (resulting in an increase in distributable income for the payment of dividends by the Sub-Fund), and thereby effectively pay distributions out of capital of the Sub-Fund.

<b>Ongoing charges over a year:</b>	Class A1 (USD):	1.25%*
	Class A2 (HKD):	1.25%*
	Class A3 (AUD-H):	1.25%**
	Class A4 (NZD-H):	1.25%**
	Class A5 (CAD-H):	1.25%**
	Class A6 (GBP-H):	1.25%**
	Class A7 (RMB-H):	1.25%*
	Class A8 (EUR-H):	1.25%**
	Class A9 (RMB):	1.25%**
	Class A10 (SGD-H):	1.25%**
	Class A11 (JPY-H):	1.25%**
	Class A12 (CHF-H):	1.25%**
	Class A13 (HKD-H):	1.25%**
	Class C1 (USD):	1.25%**
	Class C2 (HKD):	1.25%**
	Class C3 (RMB-H):	1.25%**
	Class C4 (RMB):	1.25%**
	Class C5 (HKD-H):	1.25%**

\* The ongoing charges figure is based on the annualised ongoing expenses of the respective class for the 6-month period ending 31 December 2023, expressed as a percentage of the average net asset value of the relevant class for the corresponding period. This figure may vary from year to year.

\*\* These figures are the Manager's best estimate of the expenses and the average net asset value of the respective classes over a 12-month period based on information available on other classes already launched with a similar fee structure, as these classes are newly established or had no asset under management during part or all of the corresponding period. The actual figures may be different upon actual operation of the classes and may vary from year to year.

**Financial year end of this fund:** 30 June

**Min. investment:**

<b>Class</b>	<b>Minimum Subscription Amount</b>	<b>Minimum Subsequent Subscription Amount</b>
Class A1 (USD)	USD1,000	USD1,000
Class A2 (HKD)	HKD10,000	HKD10,000
Class A3 (AUD-H)	AUD1,000	AUD1,000
Class A4 (NZD-H)	NZD2,000	NZD2,000
Class A5 (CAD-H)	CAD1,000	CAD1,000
Class A6 (GBP-H)	GBP1,000	GBP1,000
Class A7 (RMB-H)	RMB10,000	RMB10,000
Class A8 (EUR-H)	EUR1,000	EUR1,000
Class A9 (RMB)	RMB10,000	RMB10,000
Class A10 (SGD-H)	SGD1,000	SGD1,000
Class A11 (JPY-H)	JPY100,000	JPY100,000
Class A12 (CHF-H)	CHF1,000	CHF1,000
Class A13 (HKD-H)	HKD10,000	HKD10,000
Class C1 (USD)	USD1,000	USD1,000
Class C2 (HKD)	HKD10,000	HKD10,000
Class C3 (RMB-H)	RMB10,000	RMB10,000
Class C4 (RMB)	RMB10,000	RMB10,000
Class C5 (HKD-H)	HKD10,000	HKD10,000

## What is this product?

BOCHK All Weather Asian Bond Fund (the “**Sub-Fund**”) is a sub-fund of BOCHK Wealth Creation Series which is an umbrella unit trust governed by the laws of Hong Kong.

## Objective and Investment Strategy

### Objective

The investment objective of the Sub-Fund is 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.

### Investment Strategy

The countries and regions in which the Sub-Fund may invest in include, but are not limited to: Australia, Bangladesh, Mainland China, Hong Kong, India, Indonesia, Japan, Macau, Malaysia, Mongolia, New Zealand, Pakistan, Philippines, Singapore, South Korea, Sri Lanka, Taiwan, Thailand and Vietnam. The Sub-Fund will not aim to focus its investments on any single country or region or specific industries or sectors although the allocation in certain country, region, sector or industry may be relatively significant, depending on the Manager’s assessment at different times.

The Sub-Fund aims to achieve its investment objective by investing at least 70% of its latest available Net Asset Value in a portfolio of fixed income securities consisting of bonds, convertible bonds, notes and other fixed or floating rate securities issued by 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.

The Sub-Fund may invest up to 30% of its latest available Net Asset Value (i) in fixed income securities consisting of bonds, convertible bonds, notes and other fixed or floating rate securities issued by governments, government agencies, supra-nationals, banks or companies outside the Asia Pacific region; (ii) in collective investment schemes (including funds that are authorised by the SFC and eligible to directly invest in Mainland China through Qualified Foreign Investor (“**QFI funds**”) and exchange traded funds (“**ETFs**”) but excluding synthetic ETFs (i.e. ETFs that track an index by investing primarily in derivative instruments) and any exchange traded products that employ short-sale and/or leverage strategies); (iii) in equity securities including but not limited to shares (including China A-Shares and China B-Shares), American Depositary Receipts (“**ADRs**”) and real estate investment trusts (“**REITs**”); or (iv) in cash, cash equivalents, short-term money market instruments and bank deposits in adverse market conditions for the purposes of managing downside risk. The Sub-Fund may invest up to 10% of its latest available Net Asset Value in collective investment schemes which are non-eligible schemes and not authorised by the SFC.

The Sub-Fund may invest up to 30% of its latest available Net Asset Value in convertible bonds.

The Sub-Fund’s total investment in the Mainland China securities market (including but not limited to China A-Shares, China B-Shares, fixed income instruments and indirect exposure through QFI funds) will be in aggregate up to 10% of the Net Asset Value of the Sub-Fund.

The Sub-Fund will not invest more than 10% of its total Net Asset Value in asset backed securities (including asset backed commercial papers) or mortgage backed securities. The Sub-Fund may invest up to 10% of its latest available Net Asset Value in participatory notes (P-notes).

The Sub-Fund will invest not less than 50% of its Net Asset Value in investment grade bonds and may invest more than 30% of its latest available Net Asset Value in non-investment grade fixed income securities and/or unrated fixed income securities. “**Investment grade**” means a rating of BBB- or above from Standard & Poor’s, Baa3 or above from Moody’s or an equivalent rating from any internationally recognized credit rating agency. While these credit ratings provided by the relevant rating agencies serve as a point of reference, the Manager will conduct its own assessment on the credit quality based on various factors. For this purpose, if the relevant security does not itself have a credit rating, then reference can be made to the credit rating of the issuer of the security. If both the security and the relevant issuer are not rated, then the security will be classified as unrated.

The Sub-Fund will not invest more than 10% of its Net Asset Value in securities issued by and/or guaranteed by any single sovereign that is rated non-investment grade and/or unrated (including its government, public or local authority).

The Sub-Fund may enter into currency forward contracts, non-deliverable forward contracts, swaps, credit indices, financial futures and options contracts for hedging purposes only. Save as expressly disclosed above, the Sub-Fund will not invest in any derivative instruments for investment purposes.

The Manager will not engage in Securities Financing Transactions on behalf of the Sub-Fund. Prior approval will be sought from the SFC and not less than 1 month’s notice will be given to affected Unitholders if there is a change in such practice.

## Use of derivatives

The Sub-Fund’s net derivative exposure may be up to 50% of Sub-Fund’s latest available net asset value.

## What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

### Market risk

- The Sub-Fund is an investment fund. The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal or dividend or distribution payments.

### Concentration risk – investments in Asia Pacific markets

- The Sub-Fund focuses its investments in the Asia Pacific region and its portfolio of investments may not be diversified compared to other broad-based funds. It may be subject to additional concentration risk. The value of the Sub-Fund may be more volatile than that of a fund having a more diversified portfolio of assets.
- The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asia Pacific markets.

### Mainland China market risk

- The Sub-Fund may be subject to the risks of investing in Mainland China market.

### Emerging markets risk

- The Sub-fund invests in emerging markets which 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.

### Currency risk

- The Sub-Fund may invest in securities quoted in currencies other than the Sub-Fund's base currency (US Dollar). Also, a class of units may be designated in a currency other than the base currency of the Sub-Fund. The Sub-Fund's value may fluctuate in response to fluctuations in exchange rates between such currencies and US Dollar and by changes in exchange rate controls.
- Currencies of emerging markets may be more volatile than major world currencies.

### Risks associated with debt securities rated below investment grade or unrated

- The Sub-Fund may invest in debt securities rated below investment grade or unrated. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.
- Investments in such securities may also be subject to greater credit risk. If the issuer of a security is in default with respect to interest or principal payments, the Sub-Fund may lose its entire investment.
- Adverse events or market conditions may have a larger negative impact on the prices of non-investment grade or unrated debt securities than on higher-rated debt securities. Such debt securities in emerging markets may also be subject to higher volatility and lower liquidity compared to debt securities in more developed markets.

### General risks relating to debt securities

- Credit risk: Investment in debt securities is subject to the credit risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest.
- Risk related to credit ratings: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- Downgrading risk: Investment grade securities may be subject to the risk of being downgraded. In the event of downgrading, the risks of default may be higher and the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded.

- ***Interest rate risks:*** Debt securities are sensitive to changes in interest rates. Generally, the prices of debt securities rise when interest rates fall, vice versa. Longer term debt securities are usually more sensitive to interest rate changes.
- ***Sovereign debt risk:*** The Sub-Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/or interest when due or may request the Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.
- ***Valuation risk:*** Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Sub-Fund.
- ***Volatility and liquidity risk concerning debt securities in the Asia Pacific markets:*** The debt securities in Asia Pacific markets may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.

#### **Equity investment/volatility risk**

- Prices of equity securities may be volatile. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, and the business and social conditions in local and global marketplace.

#### **Risks of investing in other collective investment schemes**

- The underlying collective investment schemes in which the Sub-Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying collective investment schemes. There is also no guarantee that the underlying collective investment schemes will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

#### **Risks of investing in convertible bonds**

- Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

#### **Risks of investing in Exchange-traded funds (ETFs)**

- The trading prices of units/shares in an ETF may be at a discount or premium to the net asset value of the units/shares.
- An ETF may not be able to perfectly track the index it is designed to track.

#### **Risks of investing in REITs**

- The REITs invested in by the Sub-Fund may not necessarily be authorised by the SFC.
- Real estate investments are relatively illiquid and this may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in market conditions.
- The Sub-Fund does not invest directly in real estate, and insofar as it directly invests in REITs, any dividend policy or dividend payout at the Sub-Fund level may not be representative of the dividend policy or dividend payout of the relevant underlying REIT.

#### **Risks of investing in ADRs**

- Although ADRs have risks similar to the securities that they represent, they may also involve higher expenses and may trade at a discount (or premium) to the underlying security.

**RMB hedged class risk and RMB risk**

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors may incur currency conversion costs and suffer losses depending on the exchange rate movements of RMB relative to Hong Kong dollar or such other currencies.
- Class denominated in RMB will generally be valued with reference to the offshore RMB (CNH) rather than the onshore RMB (CNY). While CNH and CNY represent the same currency, they are traded in different markets. CNH does not necessarily have the same exchange rate and may not move in the same direction as CNY.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

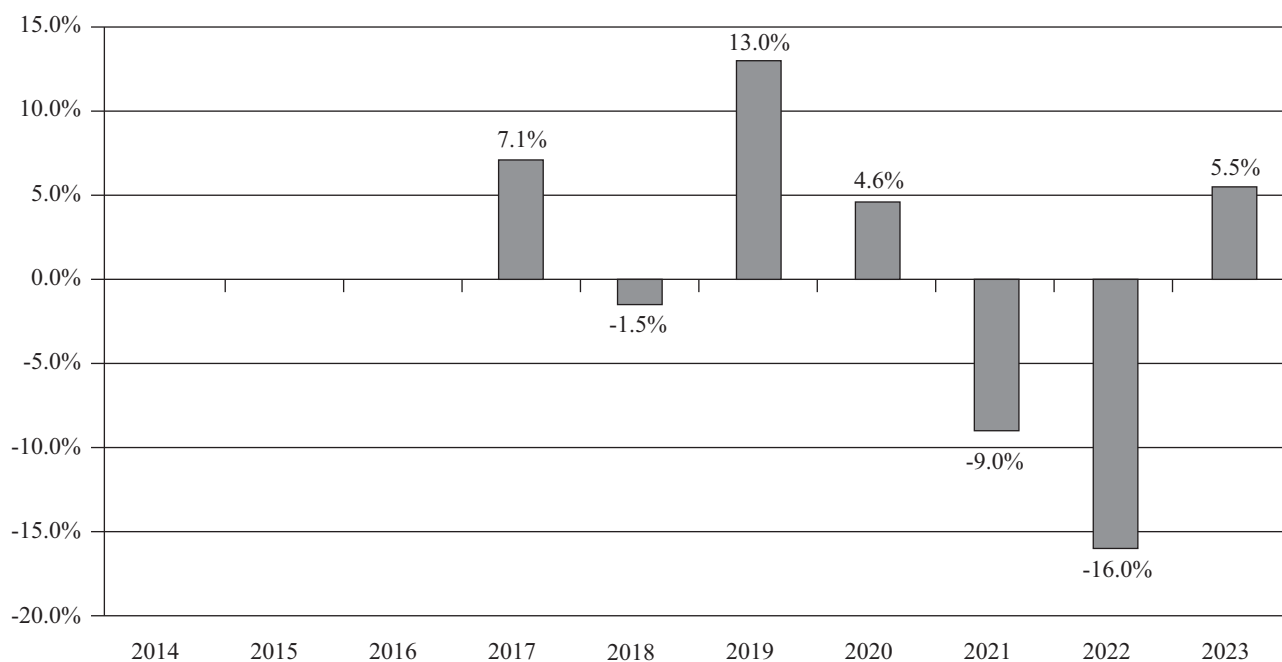
**Risks relating to hedging and the hedged classes**

- There can be no assurance that any currency hedging strategy employed by the Manager will fully and effectively eliminate the currency exposure of the Sub-Fund.
- Hedging strategies may preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

**Risks associated with distribution out of capital**

- If payment of dividends is made out of capital or effectively out of capital, it represents a return or withdrawal of part of the amount the investors originally invested or from any capital gains attributable to the original investment. Any distributions involving payment of dividends out of the Sub-Fund's capital or effectively out of the Sub-Fund's capital will result in an immediate reduction in the net asset value of the relevant class of Units.

## How has the Sub-Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class A1 (USD) increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Sub-Fund launch date: 2016
- Class A1 (USD) launch date: 2016
- The Manager views Class A1 (USD), being the retail unit class denominated in the Sub-Fund's base currency, as the most appropriate representative unit class.

## Is there any guarantee?

The Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

## What are the fees and charges?

### Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

<b>Fee</b>	<b>What you pay</b>
Subscription fee (Preliminary charge) (% of Issue Price)	Up to 3%
Switching fee (% of Issue Price of the new class)	Up to 3%
Redemption fee (% of Redemption Price)	Nil*

### Ongoing fees payable by the Sub-Fund

The following fees will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

#### Annual rate (as a % of the Sub-Fund's net asset value)

Management fee	1%*
Trustee fee	Up to 0.125%, subject to a minimum monthly fee of USD2,500*
Custody fees	Up to 0.3%
Performance fee	Not applicable

The fee rates set out in this section are applicable to classes of Units on pages 1 and 2 of this statement.

\* The fees and charges may also be increased up to the maximum level as specified in the offering document by giving at least one month's prior notice to investors. Please refer to the offering document for further details.

### Other fees

You may have to pay other fees and charges when dealing in the Sub-Fund.



## **Additional Information**

- You generally buy and redeem units at the Sub-Fund's next-determined subscription price and redemption price with reference to the net asset value after the Authorised Distributors, the Manager or the Trustee receive your request in good order on or before 5 pm (HK Time), being the dealing cut-off time. Authorised Distributors may impose different dealing deadlines for receiving requests from investors.
- The net asset value of the Sub-Fund is calculated and the price of units is published on each Business Day.
- The composition of the distributions (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Manager on request and also on the Manager's website at [www.bochkam.com](http://www.bochkam.com). Please note that the aforesaid website has not been reviewed by the SFC.

## **Important**

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.