

PRODUCT KEY FACTS

BOCHK Wealth Creation Series – BOCHK All Weather HKD Money Market 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 HKD Money Market Fund.*
- *This statement is a part of the offering document.*
- *You should not invest in this product based on this statement alone.*

Quick facts

Manager:	BOCHK Asset Management Limited 中銀香港資產管理有限公司	
Trustee:	BOCI-Prudential Trustee Limited 中銀國際英國保誠信託有限公司	
Custodian:	Bank of China (Hong Kong) Limited 中國銀行(香港)有限公司	
Dealing frequency:	Daily	
Base currency:	HKD	
Dividend policy:	Currently no distribution	
Ongoing charges over a year:	Class A1 (HKD)	0.29%*
	Class S1 (HKD)	0.34%**

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

** This figure is the Manager's best estimate of the expenses and the average net asset value of this class over a 12-month period based on information available on the other class already launched with a similar fee structure, as this class had no asset under management during part or all of the corresponding period. The actual figure may be different upon actual operation of this class and may vary from year to year.

Financial year end of this fund: 30 June

Min. investment:

Class	Minimum Subscription Amount	Minimum Subsequent Subscription Amount
Class A1 (HKD)	HKD100	HKD100
Class S1 (HKD)	HKD10	HKD10

What is this product?

BOCHK All Weather HKD Money Market 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.

Investors should note that purchase of a Unit in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company and that the Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. The Sub-Fund does not have a constant Net Asset Value and does not guarantee the repayment of investment principal. The Manager has no obligation to redeem Units at the offer value.

Objective and Investment Strategy

Objective

The investment objective of the Sub-Fund is to preserve capital and provide an investment vehicle for the investor to seek returns in Hong Kong Dollar in line with the prevailing money market rates available from a managed portfolio of short term and high quality or investment grade money market investments, while offering ready availability of monies.

Investment Strategy

Primary investments

The Sub-Fund seeks to achieve its investment objective by investing not less than 70% of its latest available Net Asset Value in Hong Kong Dollars-denominated, or denominated in other currencies and hedged to Hong Kong Dollars, and settled short-term deposits, high quality money market instruments issued by governments, quasi-governments, international organizations, financial institutions and other institutions or money market funds which are authorised by the SFC or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC (“**eligible MMFs**”). The money market instruments in which the Sub-Fund may invest include commercial papers, certificates of deposits, bills (including commercial bills), notes, other money market instruments and other high quality and short term debt securities (including bonds and fixed and floating rate securities). The Sub-Fund’s investment in eligible MMFs may not in aggregate exceed 10% of its latest available Net Asset Value.

The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days. The Sub-Fund will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of government and other public securities.

The aggregate value of the Sub-Fund’s holding of instruments and deposits issued by a single entity will not exceed 10% of the total Net Asset Value of the Sub-Fund except: (i) where the entity is a substantial financial institution and the total amount does not exceed 10% of the entity’s share capital and non-distributable capital reserves, the limit may be increased to 25%; or (ii) in the case of government and other public securities, up to 30% may be invested in the same issue; or (iii) in respect of any deposit of less than USD1,000,000 or its equivalent in HKD, where the Sub-Fund cannot otherwise diversify as a result of its size.

Credit quality and liquidity profile of money market instruments

The Manager will assess the credit quality and the liquidity profile of instruments that may be acquired on behalf of the Sub-Fund to determine whether a money market instrument is of high quality. The Sub-Fund will only invest in (a) onshore and offshore money market instruments (including high quality and short term debt securities) issued by the People’s Republic of China Ministry of Finance (i.e. China Government Bonds), and by China Development Bank, Agricultural Development Bank of China, and The Export-Import Bank of China (i.e. China Policy Bank Bonds) and/or (b) onshore and offshore money market instruments (including high quality and short term debt securities) rated investment grade or recognized grade. For the purposes of the Sub-Fund, “investment grade” or “recognized grade” is defined as below based on the original maturity of a money market instrument:

- For offshore short-term instruments issued outside of Mainland China, “investment grade” means a rating of at least P-3 or above from Moody’s, A-3 or above from Standard & Poor’s, F3 or above from Fitch Ratings or an equivalent rating from any internationally recognized credit rating agency for the instrument, the relevant issuer or the relevant guarantor (if any). For onshore short-term instruments issued in Mainland China, “recognized grade” means at least A-1 as assigned by one of the local rating agencies recognized by the relevant authorities of Mainland China on the instruments, the relevant issuer or the relevant guarantor (if any).

- For offshore long-term instruments issued outside of Mainland China, “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 for the instrument, the relevant issuer or the relevant guarantor (if any). For onshore long-term instruments issued in Mainland China, “recognized grade” means at least AAA as assigned by one of the local rating agencies recognized by the relevant authorities of Mainland China on the instruments, the relevant issuer or the relevant guarantor (if any). For the avoidance of doubt, the Sub-Fund does not intend to invest in money market instruments with a long term to maturity remaining at the time of investment. The long-term credit ratings will be considered where the Sub-Fund invests in money market instruments which have been assigned long-term credit ratings but have a shorter term to maturity remaining (subject to the restrictions on remaining maturity, weighted average maturity and weighted average life of the portfolio of the Sub-Fund) at the time of purchase by the Sub-Fund.

While 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 including quantitative factors (e.g. the issuer’s and/or the guarantor’s (if applicable) financial leverage, interest coverage, operating cash flows, liquidity position, etc.) and qualitative factors (e.g. industry outlook, competitive position, corporate governance, etc.). The Manager will assess the liquidity profile of instruments based on various factors, included but not limited to time to cash, liquidation horizon, and bid-ask spread of such instruments. Only instruments which fulfil the Manager’s liquidity requirements will be included in the portfolio of the Sub-Fund.

Geographical allocation

There is no specific geographical allocation of the country of issue of the Sub-Fund’s investments. However, investments in any country or region (e.g. China (onshore and offshore markets), etc.) may be concentrated and exceed 30% of the Sub-Fund’s latest available Net Asset Value from time to time, depending on the Manager’s assessment of the market conditions at different times. The Sub-Fund’s investments in emerging markets will be less than 30% of its latest available Net Asset Value.

Ancillary investments

The Sub-Fund may access the Mainland China money market instruments or debt securities market through available means, including but not limited to direct investment through the QFI status of the Manager, China Interbank Bond Market (“CIBM”), mutual bond market access between Mainland China and Hong Kong (“**Bond Connect**”) or such other means as permitted by the relevant regulatory authorities from time to time. The Sub-Fund’s total investment (direct or indirect) in the onshore Mainland China domestic market will be in aggregate up to 20% of the latest available Net Asset Value of the Sub-Fund.

The Sub-Fund may also invest in less than 30% of its latest available Net Asset Value in “Dim Sum” bond (i.e. bonds issued outside of Mainland China but denominated in RMB). The Sub-Fund may invest less than 30% of its latest available Net Asset Value in RMB-denominated (onshore and offshore) investments in aggregate.

The Sub-Fund will not invest in convertible bonds or debt instruments with loss-absorption features. The Sub-Fund may invest up to 10% of its latest available Net Asset Value in short-term and high quality asset-backed securities (such as asset-backed commercial papers).

Securities financing transactions, financial derivative instruments and borrowing

The Sub-Fund will not engage in any securities lending activities or reverse repurchase transactions. The Sub-Fund may enter into sale and repurchase transactions for up to 10% of its latest available Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses, and the amount of cash received by the Sub-Fund under such transactions may not in aggregate exceed 10% of its total Net Asset Value.

The Sub-Fund may use financial derivative instruments for hedging purpose only.

The Sub-Fund may borrow up to 10% of its total Net Asset Value but only on a temporary basis for the purpose of meeting redemption requests or defraying operating expenses.

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'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.

Risks relating to money market instruments/debt securities

- Short-term instruments risk: As the Sub-Fund invests significantly in short-term instruments with short maturities, it means the turnover rates of the Sub-Fund's investments may be relatively high and the transaction costs incurred as a result of the purchase or sale of short-term instruments may also increase which in turn may have a negative impact on the Net Asset Value of the Sub-Fund.
- Credit/counterparty risk: Investment in debt securities or money market instruments is subject to the credit/default risk of the issuers and guarantors (if applicable) of the debt securities or money market instruments that the Sub-Fund may invest in, which may be unable or unwilling to make timely payments on principal and/or interest.
- Interest rate risk: Investment in the Sub-Fund is subject to interest rate risk. Generally, the prices of debt securities rise when interest rates fall, vice versa.
- Volatility and liquidity risk: The debt securities or money market instruments in certain countries/regions that the Sub-Fund invests in may be subject to higher volatility and lower liquidity compared to more developed markets. The price of debt securities or money market instruments traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such debt securities or money market instruments may be large and the Sub-Fund may incur significant trading costs.
- Downgrading risk: Investment/recognized grade instruments or their issuers and/or their guarantors (if applicable) may be subject to the risk of being downgraded. In the event of downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the instruments which (or the issuers or the guarantors of which) are being downgraded.
- Sovereign debt risk: The Sub-Fund's investment in debt 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 valuations should prove to be incorrect, this may affect the Net Asset Value of the Sub-Fund.
- Risk related to credit ratings: Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the instrument, issuer and/or guarantor (as applicable) at all times.
- Credit rating agency risk: The credit appraisal system in Mainland China and the rating methodologies employed in Mainland China may be different from those employed in other markets. Credit ratings given by rating agencies in Mainland China may therefore not be directly comparable with those given by other international rating agencies.

Risks associated with bank deposits

- Bank deposits are subject to the credit risks of the relevant financial institutions. The Sub-Fund may also place deposits in non-resident accounts and offshore accounts with banks in Mainland China. The Sub-Fund's deposit may not be protected by any deposit protection schemes, or the value of the protection under the deposit protection schemes may not cover the full amount deposited by the Sub-Fund. Therefore, if the relevant financial institution defaults, the Sub-Fund may suffer losses as a result.

Risks associated with the Sub-Fund's restrictions on redemptions

- Redemption of Units may be subject to a restriction of (i) HK\$10,000 (or equivalent in the class currency) for a single individual investor of Class S Units on a Dealing Day under extreme market conditions and/or (ii) 10% of the total number of Units of the Sub-Fund in issue on a Dealing Day (in respect of all Unit Classes). Therefore, such investors may not be able to redeem all holdings in the Sub-Fund on a single Dealing Day. Where this redemption restriction is imposed continuously, the period for an investor to fully redeem his holdings may be prolonged, and the investor will be subject to liquidity risks.

Concentration risk

- The Sub-Fund will invest significantly in Hong Kong Dollar-denominated, or denominated in other currencies and hedged to Hong Kong Dollars, and settled short-term deposits, high quality money market instruments (including high quality and short term debt securities) and/or money market funds. Investments in any country or region (e.g. China (onshore and offshore markets), etc.) may also be concentrated from time to time depending on the Manager's assessment of the market conditions at different times. 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 relevant markets in any specific country or region.

Currency risk

- The Sub-Fund's investments may be quoted in currencies other than the Sub-Fund's base currency (Hong Kong Dollar). The Sub-Fund's value may fluctuate favourably or unfavourably in response to fluctuations in exchanges rates between such currencies and the Hong Kong Dollar and by changes in exchange rate controls.

Risks relating to financial derivative instruments and hedging

- Risks associated with financial derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Sub-Fund. Exposure to financial derivative instruments may lead to a high risk of significant loss by the Sub-Fund.
- There can be no assurance that any currency hedging strategy 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.

How has the Sub-Fund performed?

There is insufficient data to provide a useful indication of past performance to investors as the Sub-Fund is newly launched for less than a full calendar year.

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.

<u>Fee</u>	<u>What you pay</u>
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	Class A: 0.20%* Class S: 0.25%*
Trustee fee	Up to 0.075% p.a. for assets up to the first HKD800 million; up to 0.055% p.a. for remaining assets, subject to a minimum monthly fee of HKD30,000*
Custody fees	Up to 0.30%
Performance fee	Not applicable

The fee rates set out in this section are applicable to classes of Units under the section headed "Quick facts" 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.

[^] The Manager is entitled, with the approval of the Trustee, to limit the number of Units of any Sub-Fund redeemed on any Dealing Day (whether by sale to the Manager or by cancellation of Units) to 10% of the total number of Units of the relevant Sub-Fund in issue for all classes, and/or, upon consultation with the Trustee from time to time, to limit the amount of redemption request from an individual Unitholder on any Dealing Day to HKD10,000 (for the equivalent in another currency) for Class S under extreme market circumstances and/or subject to the Manager's discretion.

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 11 a.m. (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.

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.