



**Important Information:**

1. BOCHK All Weather HKD Money Market Fund (the "Sub-Fund") is a Sub-Fund of BOCHK Wealth Creation Series.
2. 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.
3. Investment involves risks. The Sub-Fund involves significant risks including, but not limited to, investment risk, market risk, risks relating to money market instruments/ debt securities, risks associated with bank deposits and restrictions of the Sub-Fund's on redemptions, concentration risk, currency risk, and risks relating to financial derivative instruments and hedging, etc. Past performance is not indicative of future performance. The value of the Sub-Fund can be volatile. Investors may not get back the full amount of capital invested or may suffer significant loss.
4. 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 Sub-Fund. If you have any questions about the information of this document, please seek independent professional advice.

# BOCHK All Weather HKD Money Market Fund



Major allocation to high-quality money market instruments, with price volatility lower than funds with exposure to other asset classes



The Fund has no lockup period and extremely high liquidity, with subscription and redemption available daily

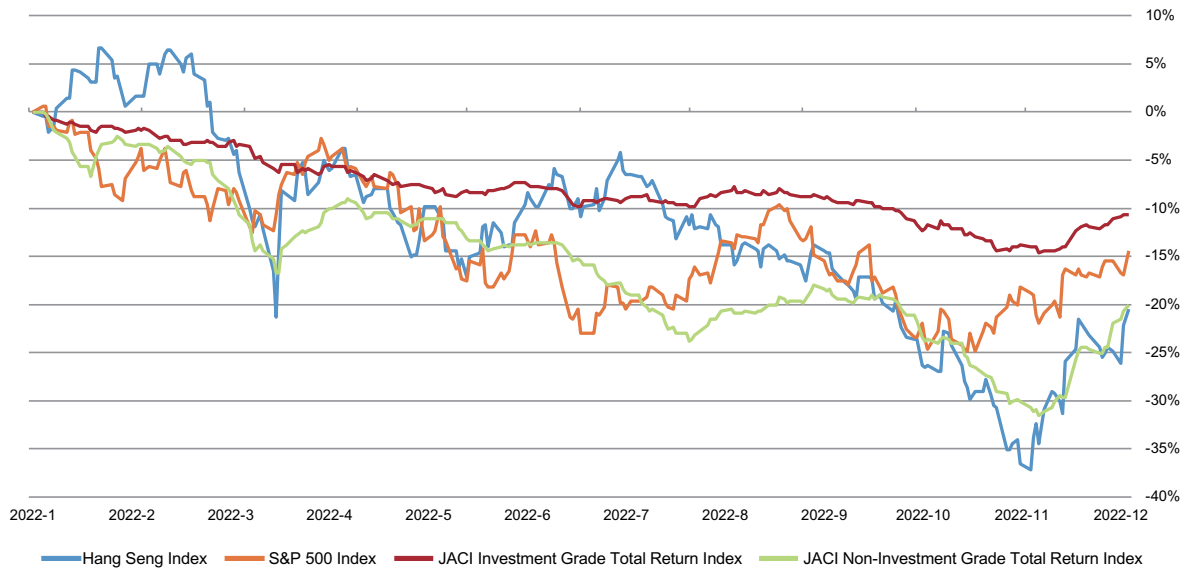


The Fund's underlying assets are safer and higher-quality money market instruments that provide relatively stable income. The Fund also has lower investment access



## Financial markets have been volatile year to date

- Financial markets have been highly volatile due to the combined impacts of the COVID-19 pandemic, inflation, rate hikes, and geopolitical risks. Stocks and bonds fell together this year, which is quite unusual in light of experience.
- As of the end of October 2022, the Hang Seng Index, S&P 500 Index, JACI Investment Grade Total Return Index and JACI Non-Investment Grade Total Return Index have reported cumulative year-to-date returns of -37.2%, -18.8%, -14.1% and -30.7% respectively, indicating a heightened risk aversion.

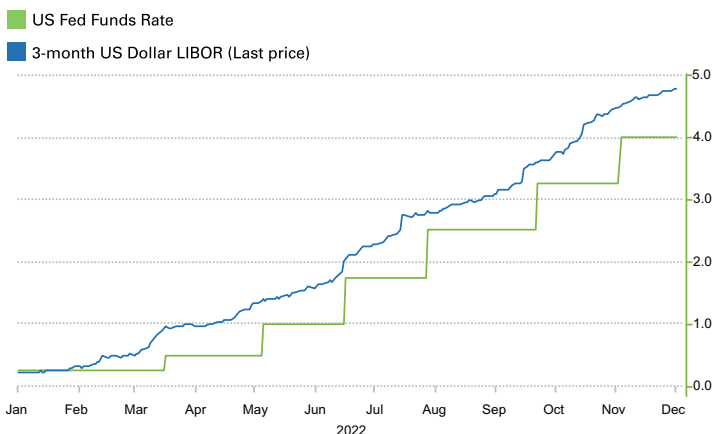


Source: Bloomberg, BOCHK Asset Management Limited, as at 30 November 2022.

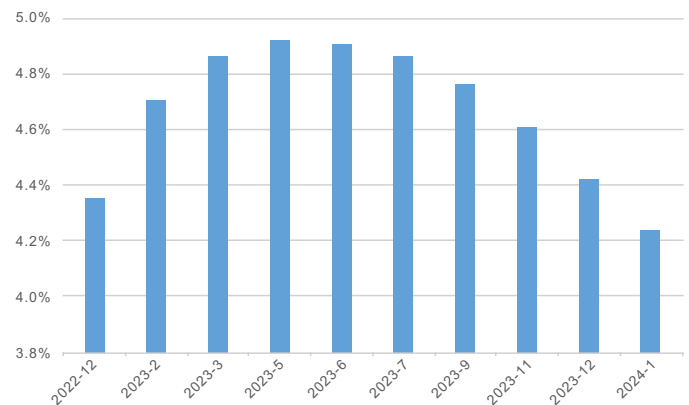
## Major central banks have started rate hike cycles

- Global central banks have tightened monetary policies to combat elevated inflation, aiming at curbing inflation with sharp rate hikes.
- As of November 2022, the US Federal Reserve has raised interest rates six times in the year, four of which were as much as 75 basis points. The current interest rate has been the highest since January 2008.
- The latest US Fed Funds Futures forecast has indicated that the US rate hike cycle will continue through the first half of 2023, and interest rates will remain high for a certain period of time.

### US Fed Funds Rate and 3-month US Dollar Libor



### Latest Forecasts from US Fed Funds Futures Market

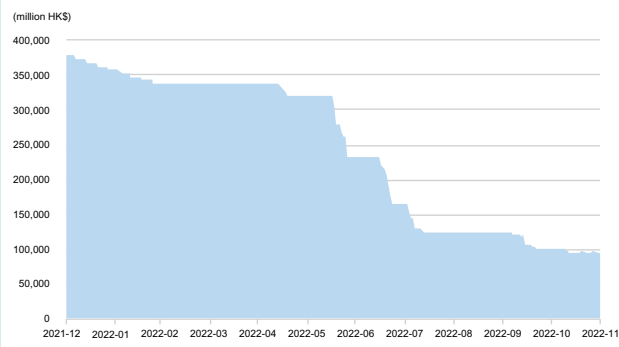


Source: Bloomberg, BOCHK Asset Management Limited, as at 30 November 2022.

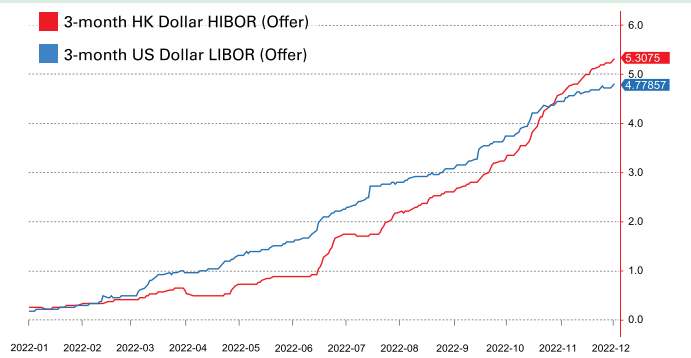
## Hong Kong dollar interest rates climb

- As the Hong Kong dollar is pegged to the US dollar, consecutive rate hikes by the US Federal Reserve have resulted in a capital outflow from the Hong Kong dollar ("HKD") system. Thus, the aggregate HKD balance of the Hong Kong banking system has been shrinking. Furthermore, HKD interest rates have been rising comprehensively, followed by the tightening of HKD liquidity.
- The commercial banks of Hong Kong have also begun to raise their prime rates in general, indicating that there is room for HKD interest rates to rise further in the future, followed by continuous rate hikes in the US.
- Money market instruments will benefit from a rate hike cycle as their duration is generally shorter.

The Aggregate Balance of Hong Kong Banking System



3-month US Dollar and HK Dollar interest rates



Sources: Hong Kong Monetary Authority, Bloomberg, BOCHK Asset Management Limited, as of 30 November 2022.

## BOCHK All Weather HKD Money Market Fund

### Fund Objective

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

### Fund Features

#### 1 Volatility

- The Fund aims to preserve capital, with major allocation to safe and high-quality money market instruments
- The volatility of the Fund is lower than other asset classes, which aims to bring peace of mind to clients

#### 2 Liquidity

- The average duration of underlying assets of the Fund is shorter than 60 days, resulting in a higher liquidity
- The custodian bank provides a credit line that can provide additional liquidity protection for the Fund

#### 3 Return

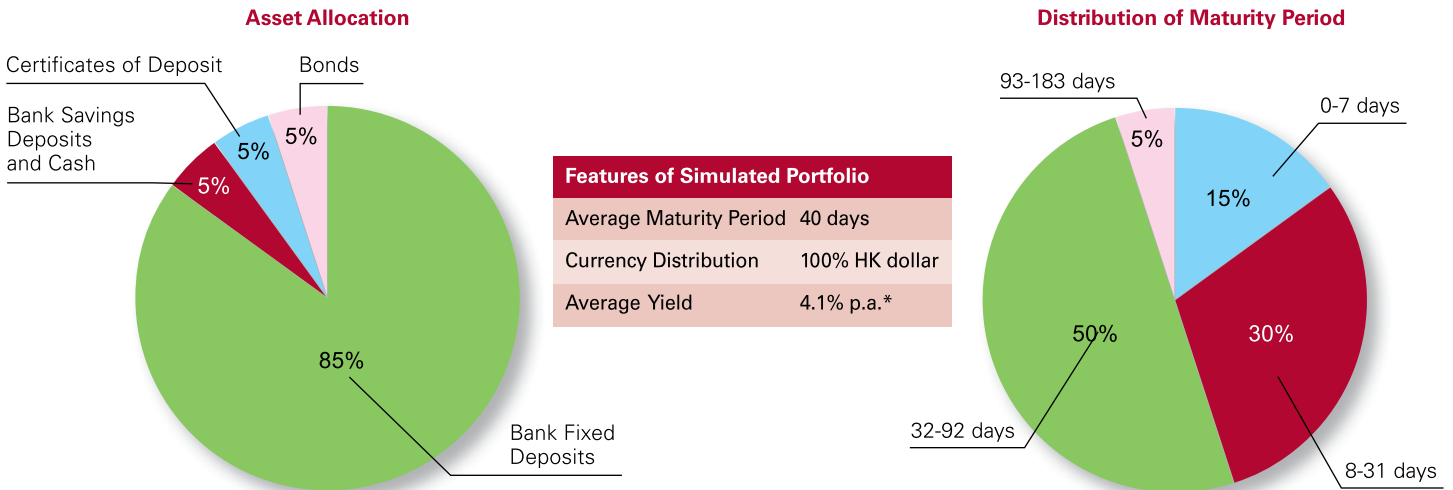
- The yield of the Fund is more attractive than general overnight rates or savings deposit rates, providing a relatively stable return
- The investment team actively manages the portfolio daily to capture investment opportunities



Note: Before making any investment decision, please pay attention to market conditions and consider your financial situation as well as understand the main risks involves in the Sub-Fund (i.e. pay attention to point 3 of the Important Information stated on cover page of this leaflet). In addition, please also read the Explanatory Memorandum and Sub-Fund's appendix (including the full text of the "Risk Factors" contained therein).

## Simulated Investment Portfolio

Note: This simulated investment portfolio is for illustrative purposes only. The simulated investment portfolio's asset allocation may be different from the actual investment portfolio for the Sub-Fund. The Sub-Fund's actual investment portfolio construction arrangement may be changed occasionally without prior notice to investors. For details of the investment strategy for the Sub-Fund, please refer to the Explanatory Memorandum and the relevant appendix.



Source: Bloomberg, BOCHK Asset Limited, data as at 30 November 2022.

\* Fees like management fees, custody fees, trustee fees, etc., are excluded from the average yield. The information is only for reference purposes and does not represent future performances or actual return.

## Fund Information

Fund Launch Date	9 February 2023 <sup>1</sup>		
First Dealing Day	10 February 2023 <sup>2</sup>		
Base Currency	Hong Kong Dollar		
Currency Class	Class A1 (HKD), Class I1 (HKD)		
Initial Offer Price	HK\$10		
Dealing Frequency	Daily		
Subscription Fee	Up to 3%		
Management Fee	Class A1 (HKD): 0.2% per annum <sup>3</sup> ; Class I1 (HKD): 0.05% per annum <sup>3</sup>		
Redemption Fee	Nil <sup>3</sup>		
Trustee Fee	Up to 0.075% p.a. for assets up to the first HKD 800 million; Up to 0.055% p.a. for remaining assets, subject to a minimum monthly fee of HKD30,000 <sup>3</sup>		
Custody Fee	Up to 0.3% per annum		
Fund Manager	BOCHK Asset Management Limited		
Trustee	BOCI-Prudential Trustee Limited	Custodian	Bank of China (Hong Kong) Limited

- The initial offering period for the Sub-Fund is up to 9 February 2023 (or such other date or time as the Manager and the Trustee may determine). The Sub-Fund will be launched on the closing date of the initial offering period.
- The first trading day is expected to be 10 February 2023. If that day is not a business day, the next business day shall become the first business day.
- 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 prior notice to investors. Please refer to the offering document for further details.



Note and Disclaimer: The BOCHK Asset Management Limited issues this document. The Securities and Futures Commission (the "SFC") has not reviewed this document. Investment involves risks, and the sub-fund may not be suitable for all investors. Past performance is not indicative of future performance. Prices of sub-fund can fluctuate repeatedly and can either fall or rise. Investment returns are calculated in the base currency of the sub-fund. Investors who invest in funds/sub-funds in non-local currencies should be aware of the risk of exchange rate fluctuations that may result in a loss of principal. Investors should carefully read the Offering Documents of the sub-fund, including but not limited to the risk factors (in particular, the risk factors involved in investing in emerging markets in the case of funds investing in emerging markets), in full before making any investment decision. The information in this document is intended only as general market commentary and is not intended to provide any investment advice or guarantee of return. The contents of this document do not constitute, and should not be construed as, an offer, solicitation or recommendation to give any professional advice or to buy or sell any investment product or service. The descriptions, diagrams and assumptions referred to in this document are for illustrative purposes only and do not provide a thorough analysis of all the possible gains and losses that any person may encounter in making an actual investment. All views, forecasts and estimates are based on current market conditions and are subject to change from time to time without prior notice. If you have questions about any of the information in this document, please contact your distributor and/or your financial adviser or visit [www.bochkam.com](http://www.bochkam.com) (the SFC has not reviewed this website).