BOC-PRUDENTIAL INDEX FUND SERIES

Principal Brochure

Investment Fund Services Hotline: (852) 2280 8615
Website: www.boci-pru.com.hk

基 金 投 資 服 務
Investment Fund Services

Fund Manager:

中銀國際
BOC INTERNATIONAL

PRUDENTIAL
保 誠 集 團

中銀保誠資產管理
BOCI-Prudential Asset Management

PRINCIPAL BROCHURE

BOC-PRUDENTIAL INDEX FUND SERIES

20 October 2023

INTRODUCTION

BOCI-Prudential Asset Management Limited accepts full responsibility for the accuracy of the information contained in this Principal Brochure at the date of publication and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication of this Principal Brochure, there are no other facts the omission of which would make any statement misleading. However, neither the delivery of this Principal Brochure nor the offer or issue of units in **BOC-Prudential Index Fund Series** (the "**Fund**") shall under any circumstances constitute a representation that the information contained in this Principal Brochure is correct as of any time subsequent to such date. This Principal Brochure may from time to time be updated. Intending applicants for units should ask the Investment Manager if any supplements to this Principal Brochure or any later Principal Brochure for the sub-funds have been issued.

Distribution of this Principal Brochure must be accompanied by a copy of the latest available annual report and accounts of the Fund and any subsequent interim report. Units are offered on the basis only of the information contained in this Principal Brochure and (where applicable) the above mentioned annual reports and accounts and interim reports. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained in this Principal Brochure should be regarded as unauthorised and accordingly must not be relied upon.

The Fund is an umbrella fund under which index-tracking sub-funds will be established (which fall within the scope of Chapter 8.6 "Unlisted index funds and index tracking exchange traded funds" of the Code on Unit Trusts and Mutual Funds ("UTMF Code") issued by the SFC). The Fund and the sub-funds have been authorised by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorisation is not a recommendation or endorsement of the Fund or the sub-funds, nor does it guarantee the commercial merits of the Fund or the sub-funds or their performance. It does not mean the Fund or the sub-funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

No action has been taken to permit an offering of units or the distribution of this Principal Brochure in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Principal Brochure may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

In particular:

(a) Units in the Fund have not been registered under the US Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the US, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under such Act) ("**US Person under Regulation S**").

(b) The Fund has not been and will not be registered under the US Investment Company Act of 1940 as amended.

(c) Units in the Fund may not, except pursuant to a relevant exemption, be acquired or owned by, or acquired with the assets of an ERISA Plan. An "ERISA Plan" is any retirement plan subject to Title 1 of the US Employee Retirement Income Securities Act of 1974, as amended or any individual retirement account plan subject to section 4975 of the US Internal Revenue Code of 1986, as amended (the "IRC").

The Investment Manager shall have the power to impose such restrictions and take such actions as the Investment Manager may think appropriate for the purpose of ensuring that no units are acquired or held by an Unqualified Person (as defined below). Such actions may include (but are not limited to) refusing new subscriptions from an Unqualified Person, compelling mandatory redemptions of units held directly, beneficially, or indirectly by an Unqualified Person, and deducting or withholding such amounts from the redemption proceeds as may be required for compliance purposes, provided that (i) any action so taken is permitted by applicable laws and regulations; and (ii) the Investment Manager is acting in good faith and on reasonable grounds.

The Investment Manager has the power in its discretion to declare that a group or category of persons shall be considered as Unqualified Persons.

US Person restrictions

The Investment Manager has declared that Reportable Persons under FATCA (as defined in the "FATCA" sub-section) and US Persons under Regulation S are Unqualified Persons who are not permitted to own units.

Foreign Account Tax Compliance Act ("FATCA")

The US enacted FACTA in 2010. FATCA requires Foreign Financial Institutions ("**FFIs**") to report details of Specified US Persons (as defined below) holding or controlling offshore financial assets to the US Internal Revenue Services (the "**IRS**"). Since 1 July 2014, FFIs that do not comply with FATCA may be subject to a US withholding tax of 30% on certain income from US investments and on their gross proceeds from US investments and also potentially revenues from other non-US investments ("**FATCA Withholding**").

In 2014, the government of Hong Kong and the US signed a Model 2 Intergovernmental Agreement ("**IGA**") for implementation of the FATCA by FFIs in Hong Kong.

The sub-funds are FFIs in Hong Kong. They must comply with the provisions of FATCA under the IGA, including the requirements to conduct due diligence and obtain certain information from their unitholders in order to ascertain their US tax status. Each and every sub-fund is a Registered Deemed-Compliant FFI (within the meaning of the IGA), which means that a sponsoring entity performs all of the sub-funds' FATCA obligations, including due diligence, withholding, reporting and other requirements. The sponsoring entity shall have all the powers and rights of the sub-funds in relation to carrying out the sub-funds' obligations under FATCA. All references to the sub-funds in relation to FATCA in this Principal Brochure shall include the sponsoring entity.

If a unitholder (or a controlling person of certain entity unitholder) is a Specified US Person (as defined below in this section), the sub-funds will report information of this person to the IRS.

Additional information may be required by the sub-funds, the Investment Manager, the Custodian, their agents or service providers from unitholders and controlling persons of certain entity unitholders in order to comply with the sub-funds' obligations under FATCA. The applicable FATCA rules may change. Unitholders should contact their own tax advisers regarding the application of FATCA to their particular circumstances. For further information on FATCA you can visit the IRS website at www.irs.gov/businesses/corporations /foreign-account-tax-compliance-act-fatca. This website has not been reviewed by the SFC.

A “**Reportable Person Under FATCA**” is defined as follows:

1. A Specified US Person within the meaning of the IGA and the Treasury Regulations under the FATCA as set forth in Sections 1471 through 1474 of the IRC. Subject to some exceptions, this term generally includes any US Person as defined in Section 7701(a)(30) of the IRC and the regulations thereunder, including a US citizen or resident individual, a partnership or corporation organized in the United States or under the laws of the United States or any state thereof, and a US domestic trust.

2. A Passive Non-Financial Foreign Entity (“**Passive NFFE**”) with Controlling Persons (within the meaning of the IGA) who are “Specified US Person(s)”.

In addition, accounts held by non-participating financial institutions shall be treated as accounts for which aggregate payments are required to be reported under an FFI Agreement.

If unitholders are in any doubt as to their status as Reportable Persons under FATCA, they should consult their legal or taxes adviser.

If, subsequent to a unitholder’s investment, the unitholder becomes a Specified US Person or any other Unqualified Person holds units, such unitholder will (i) be restricted from making any additional subscriptions and (ii) as soon as practicable have its units compulsorily redeemed (provided that (i) any action so taken is permitted by applicable laws and regulations; and (ii) the Investment Manager is acting in good faith and on reasonable grounds). Please see the “5.9 Compulsory Redemptions under Certain Circumstances” sub-section below for more information.

The sub-funds may:

(a) completely redeem the holding of a unitholder (at any time upon any or no notice) ; or

(b) reject an investor’s application for subscription of units; or

(c) withhold on amounts otherwise distributable to a unitholder; or

(d) compel a unitholder to sell his or her or its interest

if the unitholder fails to provide the sub-funds with the necessary information upon request to satisfy relevant requirements under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA and AEOI (as defined in the “AEOI” sub-section) obligations.

To comply with FATCA, the sub-funds will disclose to the IRS the name, address, taxpayer identification number and financial account information, and other information as required under FATCA relating to any Specified US Persons who own or control, either directly or indirectly through a Passive NFFE, an interest in reportable financial accounts.

For the purpose of this Principal Brochure, "Unqualified Person" shall means (a) a person who by virtue of any law or requirement of any country/region or governmental authority is not qualified to hold a unit or who would be in breach of any such law or regulation in acquiring or holding a unit or if, in the opinion of the Investment Manager, the holding of a unit by such person might result in the Fund and/or the sub-funds incurring any liability to taxation or suffering a pecuniary disadvantage which the Fund and/or the sub-funds might not otherwise have incurred or suffered, or might result in the Fund, the sub-funds, the Investment Manager or the Trustee or any of their associates being exposed to any liability, penalty or regulatory action; (b) any person if the holding of a unit by such person might, due to any circumstances whether directly affecting such person and whether relating to such person alone or to any other person in conjunction therewith (whether such persons are connected or not), in the opinion of the Investment Manager, result in the Fund and/or the sub-funds incurring any liability to taxation or suffering a pecuniary disadvantage which the Fund and/or the sub-funds might not otherwise have incurred or suffered, or in the Fund, the sub-funds, the Investment Manager or the Trustee or any of their associates being exposed to any liability, penalty or regulatory action; or (c) any person who is a member of a group or category of persons the Investment Manager declared as Unqualified Persons.

For the purpose of this Principal Brochure, "associate" in relation to a body corporate, an associated company as defined in the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) (as amended).

Potential applicants for units in the sub-funds should consult with their own tax advisors regarding (a) the possible tax consequences including but not limited to the possible implications of FATCA on them and the sub-funds, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries/regions of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of units in the sub-funds.

Investors should note that there can be no assurance that the performance of the sub-funds under the BOC-PRUDENTIAL INDEX FUND SERIES will be identical to the performance of the relevant underlying index particularly on the day-to-day basis and are subject to risk inherent in all investments. Investors should refer to the "Risk Factors" section below for further details. Issue prices and redemption prices of units of the BOC-PRUDENTIAL INDEX FUND SERIES may therefore go up or down.

Investors should not treat the contents of this Principal Brochure as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers in advance of any acquisition, holding or disposal of units.

Automatic Exchange of Financial Account Information ("AEOI")

For the purposes herein, "AEOI" includes:

(a) the Organization for Economic Co-operation and Development ("**OECD**") Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standard (the "**CRS**") and any associated guidance;

(b) any intergovernmental agreement, treaty, regulation, guidance, standard or other agreement between the Hong Kong government (or any government body in Hong Kong) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in (a) above; and

(c) any legislation, regulations or guidance in Hong Kong that give effect to the matters outlined in (a) to (b) above.

Under the Inland Revenue Ordinance (Cap. 112) ("**IRO**"). reporting financial institutions ("**FIs**") resident in Hong Kong including the sub-funds must collect information relating to residents of reportable jurisdiction holding financial accounts, report such information to the Hong Kong Inland Revenue Department ("**IRD**"), which will share such information with the jurisdiction(s) in which the relevant account holder are resident for tax purpose. Further information about AEOI is available on the IRD website (www.ird.gov.hk/eng/tax/dta_aeoi.htm). This website has not been reviewed by the SFC.

The sub-funds must comply with the requirements of AEOI in Hong Kong, which means that the sub-funds and/or the Investment Manager, the Trustee and their associated or affiliated companies, connected persons, delegates, contractors, authorised agents or service providers (collectively, the "**Relevant Agents**") shall conduct the required due diligence obligations and report to the IRD information of reportable account holder and controlling persons.

AEOI rules as implemented by Hong Kong require the sub-funds to, amongst other things: (i) register the sub-funds' status as an FI with the IRD; (ii) conduct due diligence on its accounts (i.e. the units) to identify whether any such accounts are considered Reportable Accounts (as defined in Section 50A of the IRO), which are held or controlled by Reportable Persons (as defined in Section 50A of the IRO) for AEOI purposes; and (iii) report to the IRD the information of such Reportable Persons and Reportable Accounts. The IRD will transmit information of Reportable Persons and Reportable Accounts to the government authorities of the relevant jurisdictions with which Hong Kong has entered into an AEOI exchange relationship. Information including (but not limited to) Reportable Persons' name, date of birth, place of birth, address, jurisdiction of residence, taxpayers identification number, account details, account balance/value, and income or sale or redemption proceeds, will be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

By investing in the sub-funds or continuing to invest in the sub-funds, the unitholders acknowledge that they may be required to provide additional information to the sub-funds and/or the Relevant Agents.

The failure of a unitholder to provide any requested information may result in the Investment Manager and/or the Relevant Agents taking any action and/or pursue remedies at their disposal including, without limitation, reporting the relevant account information of the unitholder pursuant to the AEOI rules, refusing new subscriptions from the unitholder, compelling mandatory redemptions of units held by the unitholder, and deducting or withholding such amounts from the redemption proceeds as may be required for compliance purposes, provided that any action so taken shall not be prohibited by law.

Each unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the sub-fund and the relevant classes.

Important: If you are in any doubt about the contents of this Principal Brochure, you should seek independent professional financial advice.

Personal Data or Confidential Information

(1) Personal Data or Confidential Information (including information necessary to ascertain tax status, information for reporting of tax withholding and details of transaction) provided by a unitholder (in any form or certification or otherwise) will be used, shared, stored, processed, transferred and disclosed (within or outside Hong Kong) so that the Relevant Agents can carry out their obligations in respect of the Fund and/or the sub-funds or for other purposes including but not limited to (a) processing the subscription, redemption and switching of units in the sub-funds, completing the information on the Register of unitholders, carrying out instructions or responding to unitholders' enquiries, verifying data and providing administrative or other relevant services to the unitholders (including the mailing of reports, notices or newsletters); (b) in compliance with any applicable law, regulation, statute, ordinance, rule, judgment, decree, code, guidelines, directive, circulars, sanctions regime, court order issued by other regulatory authorities of relevant jurisdiction, exchange or market, whether legal, regulatory, governmental, tax, law enforcement, self-regulatory, industry or others which apply in respect of the Fund and/or the sub-funds or the unitholders' investments and/or bind or apply to the Relevant Agents from time to time or any agreement with any tax or fiscal authority in any jurisdiction and meeting any demands, disclosure, notification or reporting requirements to which any recipient of the data is subject under the applicable laws and regulations, including but not limited to compliance with obligations pursuant to the FATCA and AEOI, verifying the identity of a unitholder or establishing whether a unitholder is a Reportable Person under FATCA or a Reportable Person for AEOI purposes, and compliance with reporting or other obligations imposed by the US, Hong Kong or any other jurisdiction (including under AEOI), including reporting obligations that may be imposed by future legislation (collectively, the "Regulatory Requirements"); (c) prevention, detection, sanction or investigation of crime, fraud, money laundering, corruption, tax evasion, terrorist financing and any other violation of laws or unlawful activities and fulfilling related Regulatory Requirements; (d) enforcing or defending the rights of the Fund and/or the sub-funds and/or the Relevant Agents; (e) fulfilling internal operational or compliance requirements of the Relevant Agents; and (f) maintenance or continuation of overall relationship with the unitholder.

(2) Failure to provide information may result in the Investment Manager or the Trustee being unable to open/ maintain an account or provide/ continue to provide services to the unitholder or taking appropriate action or reporting to the relevant authorities.

(3) Unitholder has the right to request access to and correction of any personal data or to request the personal data not to be used for direct marketing purposes. Collection and use of personal data will be subject to the terms of the Personal Data (Privacy) Ordinance of Hong Kong.

CONTENTS

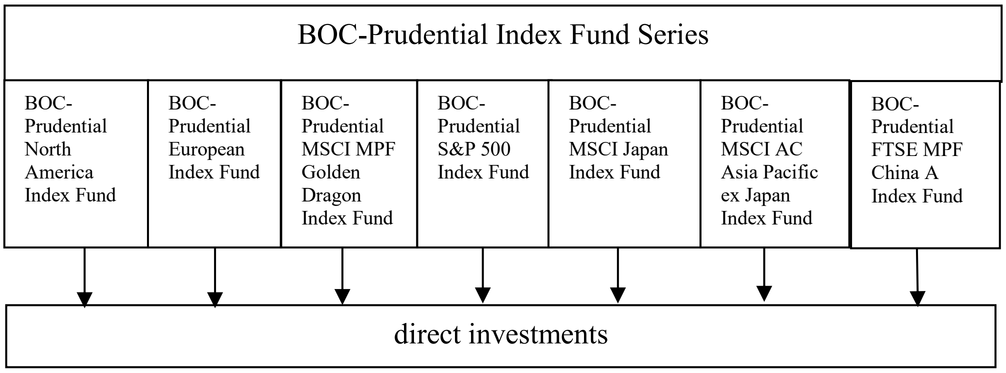
1. SUMMARY

The BOC-PRUDENTIAL INDEX FUND SERIES (the "Fund") is an umbrella unit trust constituted by a trust deed dated 29 June 2011 (the "Trust Deed") (as may be amended, modified or supplemented from time to time). The deed is governed by the laws of the Hong Kong Special Administrative Region of the People's Republic of China ("Hong Kong"). The Fund currently consists of seven sub-funds (see the diagram below). Each sub-fund has been authorised as an unit trust by the SFC under the Securities and Futures Ordinance in Hong Kong.

Although the Fund and the seven sub-funds have been authorised by the SFC under section 104 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), SFC authorisation is not a recommendation or endorsement of the Fund or the sub-funds nor does it guarantee the commercial merits of the Fund or the sub-funds or their performance. It does not mean the Fund or the sub-funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

The Fund:

Sub-funds:



The seven sub-funds of the Fund are:

(i) BOC-Prudential North America Index Fund (中銀保誠北美指數基金);

(ii) BOC-Prudential European Index Fund (中銀保誠歐洲指數基金);

(iii) BOC-Prudential MSCI MPF Golden Dragon Index Fund (中銀保誠中華 MSCI MPF金龍指數基金);

(iv) BOC-Prudential S&P 500 Index Fund (中銀保誠 S&P 500美股指數基金);

(v) BOC-Prudential MSCI Japan Index Fund (中銀保誠 MSCI日本指數基金);

(vi) BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund (中銀保誠 MSCI AC亞太(日本除外) 指數基金); and

(vii) BOC-Prudential FTSE MPF China A Index Fund (中銀保誠富時強積金中國A股指數基金)

The trustee of the Fund is BOCI-Prudential Trustee Limited (the "Trustee"). The investment manager of the Fund is BOCI-Prudential Asset Management Limited (the "Investment Manager").

Units in the sub-funds will be valued on each dealing day (the "Dealing Day") which is each Business Day (as defined below) or such Business Day or Business Days as the Investment Manager may from time to time, with the approval of the Trustee, determine either generally or for a particular class or classes of units, provided that if any commodities and securities markets on which all or part of the investments of any sub-fund are quoted, listed or dealt in are on any day not open for trading, the Investment Manager may determine that such day shall not be a Dealing Day in relation to such sub-fund.

Business Day means (i) a day on which banks generally are open for normal banking business in Hong Kong (excluding Saturdays and Sundays) provided that if on any such day, the period during which banks in Hong Kong are open is reduced as a result of a tropical cyclone signal number 8 or above, Black Rainstorm warning or other similar event, such day shall not be a Business Day unless the Trustee and the Investment Manager determine otherwise; or (ii) or such other day or days as the Trustee and the Investment Manager may determine from time to time, either generally or in relation to a particular sub-fund.

Each sub-fund of the Fund may have class(es) of units as follows:

(i) Provident Class – Class A (HKD) Units;
(ii) Provident Class – Class B (HKD) Units;
(iii) Provident Class – Class B (USD) Units;
(iv) Provident Administration Class (HKD) Units;
(v) Investment Class (HKD) Units;
(vi) Investment Class (USD) Units;
(vii) Retail Class (HKD) Units;
(viii) Retail Class (USD) Units; and
(ix) Retail Class (RMB) Units.

Please refer to section 4.1 for details of different classes of units of each sub-fund. Amounts payable on the subscription and redemption of units under the Fund will be in the currency in which the particular class of units being subscribed for or redeemed (as the case may be) is denominated. Please refer to sections 5.4 and 5.6 for details.

All the sub-funds in the Fund will be subject to risks inherent in all investments. Please refer to the risk factors in section 3.2 for more details.

2. MANAGEMENT AND ADMINISTRATION

Investment Manager
BOCI-Prudential Asset Management Limited
27/F., Bank of China Tower
1 Garden Road
Central
Hong Kong

Trustee, Custodian and Registrar
BOCI-Prudential Trustee Limited
Suites 1501-1507 &1513-1516, 15/F
1111 King's Road, Taikoo Shing
Hong Kong

Auditor
Ernst & Young
27/F., One Taikoo Place
979 King's Road
Quarry Bay
Hong Kong

Directors of the Investment Manager
Liu Min
Tse Yung Hoi
Qi Wenqing
Wang Ying
Lee Yui Leung
Yeo Whay Nee

Trustee, Custodian and Registrar

BOCI-Prudential Trustee Limited is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited ("PCHL"). BOC Group Trustee Company Limited is owned by BOC International Holdings Limited ("BOCI") and Bank of China (Hong Kong) Limited, which are subsidiaries of Bank of China Limited (formerly known as Bank of China). The business activities of Bank of China Limited are principally corporate banking, retail banking, investment banking, insurance and other financial services. PCHL is wholly owned by Prudential plc which provides a broad range of financial and insurance services as well as engages in fund management business. BOCI-Prudential Trustee Limited was registered as a trust company under the Trustee Ordinance of Hong Kong.

Custody Arrangement

The Trustee shall take into its custody or under its control all the property of the Fund and hold it in trust for the Fund in accordance with the provisions of the Trust Deed.

The Trustee is responsible for the safe-keeping of the investments forming part of the sub-funds in accordance with the provisions of the Trust Deed and such investments will be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereof.

The Trustee may from time to time appoint such person or persons as it thinks fit (including, without limitation, itself or any connected person) as custodians or co-custodians of the whole or any part of the investments comprised in any sub-fund and may empower any such custodians or co-custodians to appoint sub-custodians.

The Trustee is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and on-going monitoring of any of its custodians, co-custodians , sub-custodians, nominees, agents and delegates in relation to the assets forming part of the property of the Fund and its sub-funds (collectively, "Correspondents") appointed by it for the custody and/or safekeeping of the Fund and the sub-funds; and (b) be satisfied that each of the Correspondents retained remain suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Fund and the sub-funds. The Trustee shall be responsible and liable for the acts and omissions of any Correspondent which is a connected person of the Trustee as if the same were the acts and omissions of the Trustee but provided that the Trustee has discharged its obligations set out in (a) and (b) as set out in this paragraph, the Trustee shall not be liable for the insolvency, liquidation or bankruptcy of any Correspondent which is not a connected person of the Trustee.

Any custodian, co-custodian or sub-custodian may further appoint its sub-custodians, nominees, agents and/or delegates provided that such appointment is made with prior consent or no objection in writing by the Trustee and the Trustee has satisfied itself that (i) the custodian, co-custodian or sub-custodian has exercised reasonable care and diligence in the selection, appointment and ongoing monitoring of its sub-custodians, nominees, agents and/or delegates and (ii) has appropriate and adequate processes and procedures in place for doing so. The Trustee shall also exercise reasonable care and diligence: (i) to ensure that the processes and procedures mentioned in this paragraph have been properly implemented by the custodian, co-custodian and/or sub-custodian (as the case may be) and (ii) to conduct regular reviews of such custodian's, co-custodian's and/or sub-custodian's processes and procedures to ensure that the Trustee remains satisfied that such processes and procedures remain appropriate and adequate for the selection, appointment and ongoing monitoring of such sub-custodians, nominees, agents and/or delegates.

Investment Manager

BOCI-Prudential Asset Management Limited is a joint venture between BOCI Asset Management Limited and Prudential Corporation Holdings Limited. BOCI Asset Management Limited is a wholly owned subsidiary of BOC International Holdings Limited which in turn is a wholly owned subsidiary of Bank of China Limited. The Investment Manager is specialized in security-based portfolio management business. Teaming up with elite investment professionals, the Investment Manager is devoted to providing advanced and quality services to its clients and is committed to be a professional, prudent and reliable fund management house.

The Investment Manager is licensed with the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under section 116(1) of the Securities and Futures Ordinance of Hong Kong.

3. INVESTMENT AND BORROWING

3.1 Investment Objectives and Policies of the sub-funds

(i) *<u>BOC-Prudential North America Index Fund</u>*

The BOC-Prudential North America Index Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the FTSE MPF North America Index (unhedged) by investing in a portfolio of securities traded on the stock exchanges in North America. The sub-fund will not invest in securities traded outside North America. The index forms part of the FTSE MPF Index Series which is developed by FTSE International Limited ("FTSE") in collaboration with Willis Towers Watson and Hong Kong Investment Funds Association ("HKIFA"). Cash or time deposits may be considered when appropriate.

Normal Asset Allocation:	*70% – 100%*	*North America-related securities*
	0 – 30%	*cash or time deposits*

The FTSE MPF North America Index (unhedged) is a diversified index consisting of constituent securities listed on the North America stock markets and is compiled and managed by FTSE.

As at 29 September 2023, the index consists of 634 constituent securities listed on the North America stock markets. The number of constituent securities may be changed from time to time.

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the FTSE MPF North America Index (unhedged). The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the FTSE MPF North America Index (unhedged). The Investment Manager may invest in securities included in the FTSE MPF North America Index (unhedged), or in other securities that are not included in the FTSE MPF North America Index (unhedged) provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalisation, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the FTSE MPF North America Index (unhedged) provided that any such differences of weightings is subject to a maximum limit of 4% or such other percentage as determined by the Investment Manager after consultation with the SFC.

Currently, the sub-fund will not invest in listed futures, structured products or financial derivative instruments ("FDIs") (dealt in over-the-counter ("OTC") or listed/quoted on a stock exchange) or other OTC derivatives. Approval of the SFC will be obtained and prior notice of at least one (1) month will be given to the unitholders in case the sub-fund invests in any listed futures, structured products or FDIs.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the FTSE MPF North America Index (unhedged) particularly on the day-to-day basis and should refer to the "Risk Factors" section below for further details.

The base currency of the FTSE MPF North America Index (unhedged) is Hong Kong dollars. It is an unhedged index and it will not hedge its non-Hong Kong dollar currency exposure in the index back into Hong Kong dollars. According to the Ground Rules for the management of the FTSE MPF Index Series, exchanges that are not approved by the Mandatory Provident Fund Schemes Authority ("MPFA") will be excluded by FTSE from the calculation of the FTSE MPF Index Series. Copies of these Ground Rules are available from FTSE's website (www.ftserussell.com). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

(ii) *BOC-Prudential European Index Fund*

The BOC-Prudential European Index Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the FTSE MPF Europe Index (unhedged) by investing in a portfolio of securities traded on the stock exchanges in the United Kingdom and in other continental European countries. The sub-fund will not invest in securities traded outside Europe. The index forms part of the FTSE MPF Index Series which is developed by FTSE in collaboration with Willis Towers Watson and HKIFA. Cash or time deposits may be considered when appropriate.

Normal Asset Allocation:	*70% – 100%*	*Europe-related securities (including United Kingdom and other continental European countries)*
	0 – 30%	*cash or time deposits*

The FTSE MPF Europe Index (unhedged) is a diversified index consisting of constituent securities listed on the European stock markets and is compiled and managed by FTSE.

As at 29 September 2023, the index consists of 556 constituent securities listed on the European stock markets. The number of constituent securities may be changed from time to time.

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the FTSE MPF Europe Index (unhedged). The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the FTSE MPF Europe Index (unhedged). The Investment Manager may invest in securities included in the FTSE MPF Europe Index (unhedged), or in other securities that are not included in the FTSE MPF Europe Index (unhedged) provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalisation, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the FTSE MPF Europe Index (unhedged) provided that any such differences of weightings is subject to a maximum limit of 4% or such other percentage as determined by the Investment Manager after consultation with the SFC.

Currently, the sub-fund will not invest in listed futures, structured products or FDIs (dealt in OTC or listed/quoted on a stock exchange) or other OTC derivatives. Approval of the SFC will be obtained and prior notice of at least one (1) month will be given to the unitholders in case the sub-fund invests in any listed futures, structured products or FDIs.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the FTSE MPF Europe Index (unhedged) particularly on the day-to-day basis and should refer to the "Risk Factors" section below for further details.

The base currency of the FTSE MPF Europe Index (unhedged) is Hong Kong dollars. It is an unhedged index and it will not hedge its non-Hong Kong dollar currency exposure in the index back into Hong Kong dollars. According to the Ground Rules for the management of the FTSE MPF Index Series, exchanges that are not approved by the MPFA will be excluded by FTSE from the calculation of the FTSE MPF Index Series. Copies of these Ground Rules are available from FTSE's website (www.ftserussell.com). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

(iii) *<u>BOC-Prudential MSCI MPF Golden Dragon Index Fund</u>*

The BOC-Prudential MSCI MPF Golden Dragon Index Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the MSCI MPF Golden Dragon Index by investing primarily in a portfolio of large and mid cap equity securities of the Hong Kong companies and Chinese companies (including H shares, shares of red-chip companies and shares of P-chip companies) and real estate investment trusts ("REITs") listed on the Stock Exchange of Hong Kong Limited ("SEHK"), A shares listed on the Shanghai Stock Exchange ("SSE") or the Shenzhen Stock Exchange ("SZSE"), foreign listed securities and kinds of securities approved by the MPFA listed on approved stock exchanges, as permitted under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation (the "Regulation") and the relevant codes and guidelines as may be issued by the MPFA from time to time (including American depositary receipts ("ADRs") and global depositary receipts ("GDRs")), and equity securities listed on the Taiwan Stock Exchange and/or exchange traded funds ("ETFs") with underlying exposure to Taiwan equity securities. The sub-fund may invest up to 20% of its net asset value in a single ETF from Luxembourg, Ireland or the United Kingdom. The sub-fund may also invest up to 10% of its net asset value in any single ETF from jurisdictions other than Luxembourg, Ireland or the United Kingdom.

The sub-fund may invest less than 30% of its net asset value in A shares directly through the Stock Connect and/or indirectly through ETFs.

The index forms part of the MSCI Hong Kong Mandatory Provident Fund Indexes ("MSCI Hong Kong MPF Indexes") which is developed by MSCI Inc. ("MSCI"). Cash or time deposits may be considered when appropriate.

Normal Asset Allocation:	*70% – 100%*	*(i) equity securities and REITs listed on the SEHK, (ii) A shares listed on the SSE or the SZSE (directly through the Stock Connect and/or indirectly through ETFs), (iii) foreign listed securities and kinds of securities approved by the MPFA listed on approved stock exchanges, as permitted under Schedule 1 to the Regulation and the relevant codes and guidelines as may be issued by the MPFA from time to time (including ADRs and GDRs) and (iv) equity securities listed on the Taiwan Stock Exchange and/or ETFs with underlying exposure to Taiwan equity securities*
	0 – 30%	*cash or time deposits*

The MSCI MPF Golden Dragon Index is designed to measure the performance of the large and mid cap securities of the Hong Kong listed Hong Kong and Chinese companies (H shares, red-chips and P-chips), the Hong Kong listing of HSBC, the Mainland China listed companies (A shares), foreign listed securities and kinds of securities approved by the MPFA (including ADRs and GDRs), and companies listed in Taiwan. The MSCI MPF Golden Dragon Index is compiled and managed by MSCI.

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the MSCI MPF Golden Dragon Index. The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the MSCI MPF Golden Dragon Index. The Investment Manager may invest in securities included in the MSCI MPF Golden Dragon Index, or in other securities that are not included in the MSCI MPF Golden Dragon Index provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalisation, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the MSCI MPF Golden Dragon Index provided that any such differences of weightings is subject to a maximum limit of 4%.

The sub-fund currently does not invest in or have any exposure to any B shares listed on the stock exchanges in the People’s Republic of China (the “PRC”). If such investments are undertaken in the future, the offering documents will be updated.

The sub-fund will invest not more than 10% of its net asset value in structured deposits, structured products or other financial derivative instruments and such investments will be for hedging purposes only.

The sub-fund will not invest in debt instruments or bonds.

At the date of this Principal Brochure, the Investment Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund. Subject to the prior approval of the SFC, the sub-fund may by giving to the unitholders no less than one month's prior written notice engage in securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the MSCI MPF Golden Dragon Index particularly on the day-to-day basis and should refer to the "Risk Factors" section below for further details.

The base currency of the MSCI MPF Golden Dragon Index is Hong Kong dollars. The index methodology and the latest index information of the MSCI MPF Golden Dragon Index are available from MSCI's website (www.msci.com). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

The sub-fund is denominated in Hong Kong dollars.

(iv) *BOC-Prudential S&P 500 Index Fund*

The BOC-Prudential S&P 500 Index Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the S&P 500® Index. The S&P 500® Index is an index consisting of equity securities representing a large cross-section of the U.S. publicly-traded stock market. It is compiled and published by S&P Dow Jones Indices LLC. The index forms part of the S&P Dow Jones U.S. indices. Cash or time deposits may be considered when appropriate.

Normal Asset Allocation:	*70% – 100%*	*U.S. equities and equity-related securities*
	0 – 30%	*cash or time deposits*

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the S&P 500® Index. The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the S&P 500® Index. The Investment Manager may invest in securities included in the S&P 500®Index, or in other securities that are not included in the S&P 500® Index provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalization, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the S&P 500® Index provided that any such differences of weightings is subject to a maximum limit of 4%.

The sub-fund will invest not more than 10% of its net asset value in structured deposits, structured products or other financial derivative instruments and such investments will be for hedging purposes only.

The sub-fund will not invest in debt instruments or bonds.

At the date of this Principal Brochure, the Investment Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund. Subject to the prior approval of the SFC, the sub-fund may by giving to the unitholders no less than one month's prior written notice engage in securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund.

The Investment Manager has no intention to engage in borrowings for and on behalf of the sub-fund for more than 10% of the net asset value of the sub-fund.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the S&P 500® Index particularly on the day-to-day basis and should refer to the "Risk Factors" section below for further details.

The base currency of the S&P 500® Index that the sub-fund tracks is Hong Kong dollars. The index methodology and the latest index information of the S&P 500® Index are available from the website of the index provider (www.spglobal.com/spdji/en). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

The sub-fund is denominated in Hong Kong dollars.

(v) *BOC-Prudential MSCI Japan Index Fund*

The BOC-Prudential MSCI Japan Index Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the MSCI Japan Index. The MSCI Japan Index is an index consisting of the large- and mid-capitalization constituent securities traded primarily on the Tokyo Stock Exchange. It is calculated and managed by MSCI. The index forms part of the MSCI Global Investable Market Indexes. Cash or time deposits may be considered when appropriate.

Normal Asset Allocation: 70% – 100% Japan equities and equity-related securities
0 – 30% cash or time deposits

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the MSCI Japan Index. The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the MSCI Japan Index. The Investment Manager may invest in securities included in the MSCI Japan Index, or in other securities that are not included in the MSCI Japan Index provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalization, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the MSCI Japan Index provided that any such differences of weightings is subject to a maximum limit of 4%.

The sub-fund will invest not more than 10% of its net asset value in structured deposits, structured products or other financial derivative instruments and such investments will be for hedging purposes only.

The sub-fund will not invest in debt instruments or bonds.

At the date of this Principal Brochure, the Investment Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund. Subject to the prior approval of the SFC, the sub-fund may by giving to the unitholders no less than one month's prior written notice engage in securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund.

The Investment Manager has no intention to engage in borrowings for and on behalf of the sub-fund for more than 10% of the net asset value of the sub-fund.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the MSCI Japan Index particularly on the day-to-day basis and should refer to the "Risk Factors" section below for further details.

The base currency of the MSCI Japan Index is U.S. dollars. The index methodology and the latest index information of the MSCI Japan Index are available from the website of the index provider (www.msci.com). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

The sub-fund is denominated in Hong Kong dollars.

(vi) <u>*BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund*</u>

The BOC-Prudential MSCI AC Asia-Pacific ex Japan Index Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the MSCI AC Asia Pacific ex Japan Index. The MSCI AC Asia Pacific ex Japan Index is an index consisting of the large- and mid-capitalization constituent securities traded on the various stock markets in the Asia Pacific region (excluding Japan), including, but not limited to, those in Australia, Hong Kong, New Zealand, Singapore, Mainland China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand. It is calculated and managed by MSCI. The index forms part of the MSCI Global Investable Market Indexes. Cash or time deposits may be considered when appropriate.

Normal Asset Allocation:	*70% – 100%*	*Asia Pacific (ex Japan) equities and equity-related securities (including but not limited to ETFs and Depositary Receipts)*
	0 – 30%	*cash or time deposits*

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the MSCI AC Asia Pacific ex Japan Index. The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the MSCI AC Asia

Pacific ex Japan Index. The Investment Manager may invest in securities[1] included in the MSCI AC Asia Pacific ex Japan Index, or in other securities that are not included in the MSCI AC Asia Pacific ex Japan Index provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalization, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the MSCI AC Asia Pacific ex Japan Index provided that any such differences of weightings is subject to a maximum limit of 4%.

The sub-fund may invest less than 20% of its net asset value in A shares directly through the Stock Connect and/or indirectly through ETFs.

The sub-fund will invest not more than 10% of its net asset value in structured deposits, structured products or other financial derivative instruments and such investments will be for hedging purposes only.

The sub-fund may invest up to 25% of its net asset value in ETFs. The sub-fund may also invest up to 10% of its net asset value in any single ETF.

The sub-fund will not invest in debt instruments or bonds.

At the date of this Principal Brochure, the Investment Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund. Subject to the prior approval of the SFC, the sub-fund may by giving to the unitholders no less than one month’s prior written notice engage in securities lending transactions, repurchase or reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund.

The Investment Manager has no intention to engage in borrowings for and on behalf of the sub-fund for more than 10% of the net asset value of the sub-fund.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the MSCI AC Asia Pacific ex Japan Index particularly on the day-to-day basis and should refer to the “Risk Factors” section below for further details.

The base currency of the MSCI AC Asia Pacific ex Japan Index is U.S. dollars. The index methodology and the latest index information of the MSCI AC Asia Pacific ex Japan Index are available from the website of the index provider (www.msci.com). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

The sub-fund is denominated in Hong Kong dollars.

[1] Include but not limited to Depositary Receipts

(vii) *<u>BOC-Prudential FTSE MPF China A Index Fund</u>*

The BOC-Prudential FTSE MPF China A Index Fund seeks to provide investment performance (before fees and expenses) that closely tracks the performance of the FTSE MPF China A Index by investing primarily (at least 70% of its net asset value) in A shares directly through the Stock Connect and/or indirectly through A-share ETFs. The Sub-Fund may invest up to 20% of its net asset value in A-share ETFs. The FTSE MPF China A Index forms part of the FTSE MPF Index Series. Cash or time deposits may be considered when appropriate.

Normal Asset Allocation:	*70% – 100%*	*A shares directly through the Stock Connect and/or indirectly through A-share ETFs*
	0 – 30%	*cash or time deposits*

The FTSE MPF China A Index consists of eligible large cap and mid cap China A share companies in the FTSE MPF All-World Index which are listed on the stock exchanges approved by the MPFA. The FTSE MPF China A Index is compiled and managed by FTSE.

The Investment Manager will primarily adopt representative sampling strategy by which assets of the sub-fund will be invested in a portfolio featuring high correlation with the FTSE MPF China A Index. The sub-fund adopts representative sampling strategy and may not hold all of the securities that are included in the FTSE MPF China A Index. The Investment Manager may invest in securities included in the FTSE MPF China A Index, or in other securities that are not included in the FTSE MPF China A Index provided that the portfolio matches the characteristics of the index and such investment assists the sub-fund to achieve its investment objective and is subject to applicable investment restrictions. In selecting which securities to invest, the Investment Manager will use quantitative analytical models, under which each stock is considered for inclusion in the sub-fund based on its capitalisation, industry and fundamental investment characteristics. The sub-fund may overweight/underweight the underlying holdings of a particular constituent security's weighting in the FTSE MPF China A Index provided that any such differences of weightings is subject to a maximum limit of 4% or such other percentage as determined by the Investment Manager after consultation with the SFC.

The sub-fund will invest not more than 10% of its net asset value in structured deposits, structured products or other financial derivative instruments and such investments will be for hedging purposes only.

At the date of this Principal Brochure, the Investment Manager has no intention to enter into securities lending transactions, sale and repurchase agreements, reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund. The sub-fund may by giving to the unitholders no less than one (1) month's prior written notice (or such shorter period of notice as the SFC may approve or allow) engage in securities lending transactions, sale and repurchase agreements, reverse repurchase agreements or similar OTC transactions on behalf of the sub-fund.

Investors should note that there can be no assurance that the performance of the sub-fund will be identical to the performance of the FTSE MPF China A Index particularly on the day-to-day basis and should refer to the "Risk Factors" section below for further details.

The base currency of the FTSE MPF China A Index is Hong Kong dollars. According to the Ground Rules for the management of the FTSE MPF Index Series, exchanges that are not approved by the MPFA will be excluded by FTSE from the calculation of the FTSE MPF Index Series. Copies of these Ground Rules are available from FTSE's website (www.ftserussell.com). This website has not been reviewed by the SFC. Please refer to the Appendix for further details of the index.

The sub-fund is denominated in Hong Kong dollars.

"Depositary Receipts" are securities issued by a financial institution or depositary and evidence ownership interests in foreign issuers. Depositary receipts can include ADRs, GDRs and Non-Voting Depositary Receipts ("NVDRs").

"Stock Connect" means Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, which are securities trading and clearing linked programmes with an aim to achieve mutual stock market access between Mainland China and Hong Kong.

The Investment Manager may, subject to the approval of the SFC (where necessary), amend the investment policy of any sub-fund by giving one month's prior written notice (or such shorter period of notice as the SFC may approve or allow) to the unitholders of the relevant sub-fund(s).

3.2 Risk Factors

The performance of the sub-funds will be affected by a number of risk factors, including the following:

(a) Political, economic and social risks -- Changes in political, economic and social conditions in any country /region in which the sub-funds may invest could adversely affect the value of investments.

The value of a sub-fund's investments and/or operations of a sub-fund may be affected by uncertainties such as international political developments, implement of/changes in government actions/orders/policies/governmental intervention, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Such actions/orders/policies may be implemented with or without prior notice and may be unprecedented, and may affect the efficient functioning of the fund operators or market participants' ability to continue with their normal transactions or continue to implement certain strategies or manage the risk of their outstanding positions.

(b) Interest rate risk -- As the sub-funds may invest in securities whose value is driven significantly by changes in interest rates, the sub-funds are subject to interest rate risk. When interest rates rise, the value of previously issued debt securities will fall because new debt securities issued will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously issued debt securities will normally rise.

(c) Market risk -- Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation etc. which may have significant impact on the value of the investments. Usually, emerging markets tend to be more volatile than developed markets and may experience substantial price volatility.

(d) Emerging markets risk -- The sub-funds may invest in emerging markets. Investment in an emerging market involves 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. The accounting, auditing and financial reporting standards in some of these markets are normally less stringent than international requirements. Investment decisions may be required to be made on less complete information than is customarily available.

(e) Currency risk - Underlying investments of the sub-funds may be denominated in currencies other than the base currency of the sub-funds. Also, a class of Units may be designated in a currency other than the base currency of the the sub-funds. The net asset value of the sub-funds may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

(f) Foreign exchange risk -- The markets in which foreign exchange transactions are effected may be highly volatile, highly specialised and/or highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency. These risks may have adverse impact on the relevant sub-fund and its investors. Any changes in exchange control regulations may cause difficulties in the repatriation of funds. Dealings in a sub-fund may be suspended if the relevant sub-fund is unable to repatriate funds for the purpose of making payments on the redemption of Units.

(g) Securities risk -- Each company has its unique factors affecting the value of its securities. These factors include the company's management capability, capital structure, liquidity position, product composition and others.

(h) Foreign security risk -- The sub-funds' assets may be invested in foreign equity markets and may be subject to special risks associated with foreign investment, including, for example: greater securities price volatility; lower levels of liquidity and market efficiency; exchange rate fluctuations and exchange controls; less availability of public information about issuers; limitations on foreign ownership of securities; imposition of withholding or other taxes; imposition of restrictions on the expatriation of the assets of the sub-funds; higher transaction and custody costs and delays in settlement procedures; difficulties in enforcing contractual obligations; lower levels of regulation of the securities market and weaker accounting, disclosure and reporting requirements.

(i) Credit risk -- If the issuer of any of the fixed interest securities in which the sub-fund's assets are invested defaults, the performance of the sub-funds will be adversely affected. In addition, when economic conditions appear to be deteriorating, or where an adverse event happens to the issuer of such securities (e.g. credit rating downgrading), such securities may not be objectively priced and may decline in market value. Such securities may also decline in market value due to changing market conditions, other significant adverse market event affecting valuation or investors' heightened concerns and perceptions over credit quality.

(j) Tracking error risk -- Sub-funds may be subject to tracking error risk, which is the risk that their performance may not track that of their respective underlying index exactly. A sub-fund's returns may therefore deviate from the relevant underlying index and such tracking error may be a result of a number of factors. For example, the fees and expenses of the sub-funds, the need for the Investment Manager of the sub-fund to adopt a representative sampling strategy, rounding of share prices, changes to the relevant index and regulatory policies may affect the Investment Manager of the sub-fund's ability to achieve close correlation with the index that it seeks to track. Further, a sub-fund may receive income (such as interests and dividends) from its assets while the relevant underlying index does not have such sources of income. There can be no assurance of exact or identical replication at any time of the performance of the underlying index.

During times when the constituent stocks are unavailable or when the Investment Manager determines it is in the interest of the relevant sub-fund to do so, the sub-fund may maintain a cash position or invest in other contracts or investments as permitted by the applicable laws and regulations until the constituent stocks become available. Such costs, expenses, cash balances or timing differences could cause the net asset value of each sub-fund to be lower or higher than the relative level of the index. The magnitude of tracking error of a sub-fund would depend on the cashflow, size of the portfolio / the sub-fund and the investment strategy used by the Investment Manager.

The Investment Manager will monitor a sub-fund and seek to manage such risk in minimising the tracking error of the sub-fund. However, there can be no assurance that the sub-fund will achieve any particular level of tracking error relative to the performance of its underlying index.

(k) Political or sovereign risk -- Investors should note that investment closely related to a particular country/region may be subject to political or sovereign risks. This may include any act of war, terrorism, riot, insurrection in the country/region, the imposition of any investment, repatriation or exchange control restrictions by the government authority, the confiscation, expropriation or nationalization of any property by the government authority. Any economic downturn may adversely affect the investment sentiment and domestic economy of the country/region and affect the value of related investments. Devaluation or revaluation of the local currency, sovereign government's own capacity to repay external debt or any other political or economic risks incurred or experienced by a country/region may adversely affect the value of related investments.

(l) Liquidity risk

Liquidity risk exists when particular investments are difficult to purchase or sell. Investments made by the sub-funds may become illiquid or less liquid in response to market developments or adverse investor perceptions. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and more difficult to value and be disposed at their face values. Some of the markets in which a sub-fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of securities traded on such markets. Certain securities may also be illiquid due to limited trading markets or contractual restrictions on their resale. The sub-funds are exposed to the risk that a particular investment or position cannot be unwound or offset easily.

If sizeable redemption requests are received, the relevant sub-fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the relevant sub-fund may suffer losses in trading such investments. As a result, this may have adverse impact on the relevant sub-fund and its investors.

(m) Risks relating to obligations to comply with AEOI

The unitholders shall be required to, (i) upon demand by the Investment Manager, provide any form, certification or other information reasonably requested by and acceptable to the Investment Manager that is necessary for the sub-funds to satisfy reporting or other obligations under AEOI or to satisfy any obligations relating to any applicable laws and regulations or any agreements with any tax or fiscal authority in any jurisdictions to which AEOI is applicable, (ii) update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) otherwise comply with any reporting obligations imposed under AEOI, including reporting obligations that may be imposed by future legislation. The information provided by the unitholders may be communicated by the IRD to authorities in other jurisdictions.

Each unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the sub-funds.

(n) Risks relating to obligations under FATCA

The unitholders shall be required to, (i) upon demand by the Investment Manager, provide any form, certification or other information reasonably requested by and acceptable to the Investment Manager that is necessary for the sub-funds (A) to prevent withholding (including, without limitation, any withholding taxes required under FATCA as more particularly described in paragraph (o) below) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which sub-funds receive payments, and/or (B) to satisfy reporting or other obligations under the IGA and the IRC and the US Treasury Regulations promulgated under the IRC, or to satisfy any obligations relating to any applicable laws and regulations or any agreements with any tax or fiscal authority in any jurisdictions, (ii) update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) otherwise comply with any reporting obligations imposed under FATCA.

The sub-funds will endeavour to satisfy any obligations imposed under FATCA so as to avoid the imposition of FATCA withholding, however, no assurance can be given that the sub-funds will be able to satisfy those obligations. If any sub-funds become subject to FATCA withholding, the value of the units held by the unitholders may suffer material losses.

If the unitholder or an intermediary through which it holds interest in the sub-funds fails to provide the sub-funds, its agents or authorised representatives with complete and accurate information that may be required by the sub-funds to comply with FATCA, the unitholder may be subject to withholding on amounts otherwise distributable to the unitholder, may be compelled to sell his interest in the sub-funds, or in certain situations, the unitholders' interest in the sub-funds may be sold involuntarily, provided that (i) any action so taken is permitted by applicable laws and regulations; and (ii) the Investment Manager is acting in good faith and on reasonable grounds.

In cases where unitholders invest in the sub-funds through an intermediary, unitholders are reminded to check whether such intermediary is FATCA compliant. If unitholders are in any doubt, they should consult their tax advisor, stockbroker, bank manager, solicitor, accountant and other professional adviser(s) regarding the possible implications of FATCA on the unitholders and the sub-funds.

Unitholders, Controlling Persons of unitholders classified as Passive NFFEs and intermediaries acting for unitholders, should therefore take note that if they meet the definition of Reportable Person under FATCA (as defined in the "FATCA" sub-section), then they will need to declare this to any sub-funds and submit any required documentation. If, subsequent to a unitholder's investment, the unitholder becomes a Specified US Person or any other Unqualified Person holds units, such unitholder will (i) be restricted from making any additional subscriptions and (ii) as soon as practicable have its units compulsorily redeemed (provided that (i) any action so taken is permitted by applicable laws and regulations; and (ii) the Investment Manager is acting in good faith and on reasonable grounds). Please see the "5.9 Compulsory Redemptions under Certain Circumstances" sub-section below for more information. The compulsory redemption of units may cause a unitholder to recognize gain or loss on a redemption at a time or value that is not optimal under the unitholder's specific circumstances and such redemption could therefore adversely affect the unitholder's return from an investment in units.

(o) FATCA withholding tax risk

An FFI that does not comply with the FATCA requirements may face a withholding tax of 30% on all "withholdable payments" (as defined under FATCA) derived from US sources (including interest and dividends) and gross proceeds from the sale or other disposition of property that can produce US source income. FATCA withholding tax may also apply to "foreign passthru payments". Although the sub-funds will attempt to satisfy any obligations imposed on it to avoid the imposition of FATCA withholding tax, no assurance can be given that the sub-funds will be able to satisfy those obligations. If the sub-funds become subject to a withholding tax under FATCA, the value of the units held by unitholders may suffer material losses. In addition, the sub-funds may be required under FATCA to impose FATCA withholding on certain payments they make.

The imposition of the 30% withholding tax under the FATCA rules could result in materially reduced investment returns for the unitholders. The administrative costs arising from compliance with the FATCA rules may also cause an increase in the operating expenses of the sub-funds, thereby further reducing returns to unitholders.

Unitholders should consult their independent tax advisor regarding the potential implications of the FATCA rules on themselves and their investment in the sub-funds.

(p) Custody risk

Custodians or sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where a sub-fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the sub-fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the sub-fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the sub-fund may even be unable to recover all of its assets. The costs borne by a sub-fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

(q) Concentration risk -- To the extent that the underlying index concentrates in securities which belong to a particular industry or group of industries, the Investment Manager may similarly concentrate the relevant sub-fund investments. The performance of the sub-funds could then depend heavily on the performance of that industry or group of industries. In addition, the Investment Manager may invest a significant percentage or all of the assets of the sub-funds in a single issuer or several issuers, and the performance of the sub-funds could be closely tied to the relevant issuer(s). The value of the sub-funds may be more volatile than that of a fund having a more diverse portfolio of investments.

The sub-funds mainly focus their investments on a country / region. The value of the sub-funds may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the market in that country / region.

(r) Geographical concentration risk -- Where a sub-fund invests predominantly in one geographical area, any decline in the economy of this area may affect the prices and value of the shares or units held by that fund.

(s) Passive investment risk --The sub-funds are passively managed. Due to inherent nature of index funds, the Investment Manager of the sub-funds will not have the discretion to adapt to market changes and may not be able to take defensive positions where the relevant stock markets decline. Hence, any fall in an underlying index will result in a corresponding fall in the value of the sub-funds.

(t) Portfolio management risk – Since the sub-funds will not fully replicate the relevant underlying index, there is a risk that as the implementation of the Investment Manager's investment strategy is subject to a number of constraints, the investment strategy may not produce the intended results.

(u) Termination risk -- The sub-funds may be terminated for a number of reasons. These may include (i) the SFC withdrawing its authorisation of the sub-funds; (ii) the index provider terminates the underlying index or does not allow the sub-funds to use the underlying index and there is no successor index; (iii) if any law is passed which renders it illegal or in the opinion of the Investment Manager impracticable or inadvisable to continue the sub-funds; (iv) the retirement or removal of the Investment Manager where no replacement manager can be found which is acceptable, (v) the retirement or removal of the Trustee where no replacement trustee can be found which is acceptable, (vi) at any time one year after the establishment of sub-fund the net asset value of that sub-fund falls below HK$10,000,000; or (vii) in other circumstances described in section 7.4 "Duration" of the Principal Brochure. In the event of the early termination of the sub-fund, the Trustee will distribute the net cash proceeds (if any) derived from the realization of the investments comprised in the sub-fund to the unitholders in accordance with the Trust Deed. It is possible that at the time of such realization or distribution, certain investments held by the sub-fund may be worth less than the initial cost of such investments, resulting in a loss to the unitholders.

(v) Risks in relation to an index fund -- Whilst the investment objective of each sub-fund is to match as closely as practicable the performance of its underlying index, there can be no assurance that the performance of the sub-fund will be identical to the performance of the relevant underlying index. In particular:-

(i) the sub-fund's investment may not consist of the exact composition and weighting of the underlying in the index in circumstances where the Investment Manager determines that this is expedient for reasons of poor liquidity or excessive cost to the sub-fund;

(ii) the composition of the underlying index may change and stocks currently comprising such index may subsequently be delisted. Other stocks may also be added subsequently to become constituent stocks of the index. Such changes in the composition of the index are beyond the control of the Investment Manager;

(iii) in order to track the underlying index, the Investment Manager will need to buy and sell constituent stocks of the index on each Dealing Day. The time differences associated with portfolio re-balancing and the price at which the constituent stocks in the index is acquired or disposed by the sub-fund will be affected by the market condition at the time of acquisition or disposal;

(iv) whilst the Investment Manager will seek to minimise any deviations in the sub-fund's holdings of constituent stocks against their weightings in the underlying index, there can be no guarantee that at the end of each Dealing Day the sub-fund's holdings of constituent stocks will match their weightings in the relevant index.

(v) in order to maximise portfolio management efficiency, the Investment Manager will adopt Representative Sampling Strategy to obtain exposure to the relevant underlying index for a sub-fund, which may themselves not necessarily reflect the performance of the relevant index entirely. Nevertheless, the Investment Manager will endeavour to minimise the potential deviation of performance of the sub-fund against the relevant underlying index and cost in relation to the use of such strategies.

(w) Risks relating to the underlying index

(i) Index calculation risk - The process and the basis of computing and compiling the relevant underlying index and any of its related formulae, constituent companies and factors may also be changed or altered by the index provider at any time without notice. There is also no warranty, representation or guarantee given to the investors as to the accuracy or completeness of the relevant underlying index, its computation or any information related thereto. Errors in index data may occur and may have an adverse impact on the sub-fund and the unitholders.

(ii) Index suitability risk - In the event that the underlying index ceases to be operated or is not available, the Investment Manager will, in accordance with the provisions of the Trust Deed and with the prior approval of the SFC and by giving at least one month's notice, change the underlying index to a replacement index that is tradable and has similar objectives to the existing index. The SFC reserves the right to withdraw the authorisation of the sub-fund if the underlying index is no longer considered to be acceptable to the SFC.

(iii) Risks relating to changes in the constituent securities of the underlying index - There may be changes in the constituent securities of the underlying index from time to time and the securities may be delisted. In order to achieve the investment objective of the sub-funds, the Investment Manager may change the weighting or the composition of the portfolio held by the sub-funds. Such portfolio re-balancing will incur transaction costs which will be borne by the sub-funds. The price of the units may rise or fall as a result of these changes.

(iv) Market disruptions and regulatory restrictions risk – Market disruptions and regulatory restrictions could have an adverse effect on the sub-funds' ability to adjust their exposure to the required levels in order to track the underlying index.

(x) Derivative instruments risk – Where the sub-fund uses derivatives for hedging purposes, it will be subject to derivative instruments risk. Derivatives may be more sensitive to changes in economic or market conditions and could increase the sub-fund's volatility. If derivatives used for hedging purposes are not successful, losses may be incurred to the sub-fund and the sub-fund's returns may be reduced due to the hedging costs incurred. In adverse situation, the sub-fund's use of derivatives may become ineffective in hedging and the sub-fund may suffer significant losses. The use of derivatives may expose the sub-fund to various types of risk, including but not limited to, counterparty, liquidity, correlation, credit, volatility, valuation and settlement risks which can have an adverse effect on the net asset value of the sub-fund.

(y) Risks relating to investment in ETFs - Where the sub-fund invests in ETFs, it will be subject to risks relating to investment in ETFs. Investors should note that the market price of the units of an ETF traded on a stock exchange is determined not only by the Net Asset Value of an ETF but also by other factors such as the supply of and demand for the units of the ETF in the relevant stock exchange. Therefore, there is a risk that the units of the ETF may trade at a large premium or discount to the ETF's net asset value and the market price of the units of the ETF traded on the relevant stock exchange may diverge significantly from the Net Asset Value of the ETF.

An ETF's returns may deviate from the index to which it is tracking due to a number of factors. For example, the fees and expenses of an ETF, the need for the manager of an ETF to adopt a representative sampling strategy, rounding of share prices, changes to the tracking index and regulatory policies may affect the ability of the manager of an ETF to achieve close correlation with the tracking index. Further, an ETF may receive income (such as interests and dividends) from its assets while the tracking index does not have such sources of income.

An ETF is not actively managed. The manager of an ETF may not take an active role in defending the position of the ETF in declining markets. Hence, any fall in the relevant index will result in a corresponding fall in the value of the ETF.

There can be no assurance that an active trading market in respect of the units of an ETF will be developed or maintained.

(z) Depositary Receipts risk - Where the sub-fund invests in Depositary Receipts, it will be subject to Depositary Receipts risk. Depositary Receipts are designed to offer exposure to their underlying securities. In certain situations, the Investment Manager may use Depositary Receipts such as ADRs, GDRs or NVDRs to provide exposure to underlying securities within the underlying index, for example where the underlying securities cannot be, or are unsuitable to be, held directly, where direct access to the underlying securities is restricted or limited or where depositary receipts provide a more cost or tax efficient exposure. However, in such cases the Investment Manager is unable to guarantee that a similar outcome will be achieved to that if it were possible to hold the securities directly, due to the fact Depositary Receipts such as ADRs, GDRs or NVDRs do not always perform in line with the underlying security.

In the event of the suspension or closure of a market(s) on which the underlying securities are traded, there is a risk that the value of the Depositary Receipt will not closely reflect the value of the relevant underlying securities. Additionally, there may be some circumstances where the Investment Manager cannot, or it is not appropriate to, invest in a Depositary Receipt , or the characteristics of the Depositary Receipt do not exactly reflect the underlying security.

In the event that the sub-fund invests in Depositary Receipts in the circumstances set out above, the sub-fund's tracking of the underlying index may be impacted, i.e. there is a risk that the sub-fund's return varies from the return of the underlying index.

In addition to the general risk factors set out above, investors of equity focus sub-funds should also note the following risk factors:

(a) Investment risk relating to equity portfolio

Each sub-fund is an investment fund. The sub-funds' investment portfolio may fall in value and therefore, investors' investment in the sub-fund may suffer losses. There is no guarantee in respect of repayment of principal.

The sub-fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

In addition to the risk factors set out above, investors of sub-funds which have class(es) of units denominated in a currency other than the base currency of the sub-fund should also note the following risk factors:

(a) Risk relating to those class(es) of units denominated in a currency other than the base currency -- The sub-fund will be exposed to foreign exchange risk because (i) those class(es) of units can be subscribed and redeemed in a currency other than the base currency of the sub-fund; or (ii) the class currency of the units may be different from the sub-fund's base currency, the currencies of which the sub-fund's assets are invested and/or investors' base currencies of investment. The returns to investors for those class(es) of units denominated in a currency other than the base currency of the sub-fund may be different from the return calculated by reference to the base currency when converted back into the currency in which the investors subscribe and redeem due to fluctuations in the currency markets. The returns may go down and the investor may suffer a loss due to the depreciation of the class currency against the original currency. The sub-fund may also be subject to bid/offer spread on currency conversion and transaction costs. Such risk may result in capital loss to the sub-fund and its investors.

(b) Cross-class liability risk -- Although for the purposes of fund accounting, different fees and charges will be allocated to each class, there is no actual segregation of liabilities between different classes of units. As such, in the event of insolvency or termination of the sub-fund, i.e. where the assets of the sub-fund are insufficient to meet its liabilities, all assets will be used to meet the sub-fund's liabilities, not just the amount standing to the credit of any individual class of units.

In addition to the risk factors set out above, investors should also note the following risk factors with respect to sub-funds which have units denominated in Renminbi ("RMB") or have investments denominated in RMB or exposure to RMB currency:

(a) Foreign exchange and RMB currency and conversion risks

Underlying investments of the sub-funds may be denominated in currencies (e.g. RMB (specifically offshore RMB ("CNH") or onshore RMB ("CNY"))) other than the base currency of the sub-fund (e.g. HKD). The net asset value of the sub-fund may be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

RMB is currently not freely convertible and is subject to exchange control policies and repatriation restrictions imposed by the Chinese government. Conversion between RMB and other currencies is also subject to policy restrictions relating to RMB and the relevant regulatory requirements in Hong Kong.

Unit classes denominated in RMB participate in the CNH market, which allows investors to freely transact CNH outside of Mainland China subject to the availability and clearing liquidity of CNH. Unit classes denominated in RMB will have no requirement to convert CNH to CNY. If an investor is a non RMB-based (e.g. Hong Kong) investor, he may have to convert HK dollar or other currency(ies) into RMB when investing in RMB unit classes and subsequently convert the RMB redemption proceeds and/or distribution payment (if any) back to HK dollar or such other currency(ies).

Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Such investor will incur currency conversion costs and may suffer losses depending on the exchange rate movements of RMB relative to HK dollar or such other currency(ies).

RMB unit classes will generally be valued with reference to CNH rather than CNY. Although CNH and CNY are the same currency, they trade at different rates and separate markets which operate independently. As such, CNH does not necessarily have the same exchange rate and may not move in the same direction as CNY. Any divergence between CNH and CNY may adversely impact investors.

The sub-fund may also be subject to bid/ offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.

Depending on the exchange rate movements of RMB relative to the base currency of a sub-fund and/or other currency(ies) of the non-RMB denominated underlying investments of the sub-fund, (i) an investor may still suffer losses even if there are gains or no losses in the value of the non-RMB denominated underlying investments; or (ii) an investor may suffer additional losses if the non-RMB denominated underlying investments of the sub-fund fall in value.

There is no guarantee that RMB will not depreciate or RMB will not be subject to devaluation. Any depreciation or devaluation of RMB could adversely affect the value of the investors' investments in the sub-fund.

(b) Risk relating to redemption and/or distribution payments (if any)

Redemption proceeds will normally be paid in the currency in which the particular class of units of the sub-fund being redeemed are denominated. However, due to the exchange controls and restrictions applicable to RMB, a sub-fund may not be able to get sufficient amounts of RMB in a timely manner to meet redemption requests of units denominated in RMB and/or distribution payments (if any) if all or a substantial portion of its underlying investments are non-RMB denominated. Therefore, even if a sub-fund aims to pay redemption proceeds and/or distribution (if any) in RMB to investors of units denominated in RMB, the investor may not receive RMB upon redemption of his investments or receive distribution payments (if any) in RMB. There is also a risk that payment of redemption proceeds in RMB may be delayed when there is not sufficient RMB for currency conversion for settlement of the redemption proceeds.

In addition to the risk factors set out above, investors should also note the following risk factors with respect to BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund:

(a) North America economic risk -- Certain changes in the U.S. economy, such as when the U.S. economy weakens or when its financial markets decline, may have an adverse effect on the securities to which the BOC-Prudential North America Index Fund has exposure. Economic events in any North American country can have a significant economic effect on the entire North American region and on some or all of the North American countries in which it invests. Political developments in the U.S. could negatively impact the value of securities held by the sub-fund. A decrease in U.S. imports or exports, new trade and financial regulations or tariffs, changes in the U.S. dollar exchange rate or an economic slowdown in the U.S. may have a material adverse effect on the economic conditions of such countries and, as a result, securities to which the sub-fund has exposure.

Investments in securities issued by Canadian issuers may subject the sub-fund to regulatory, political, currency, security and economic risks specific to Canada. The Canadian economy is largely influenced by relationships with its trading partners. The U.S. is Canada's largest trading and investment partner, and the Canadian economy is significantly affected by developments in the U.S. economy. Political developments in the U.S. or Canada could have an adverse impact on the Canadian economy. Canada is a large supplier of natural resources (e.g., oil, natural gas and agricultural products), Canadian economy is thus sensitive to fluctuations in certain commodity markets. Accordingly, changes in the supply and demand of such commodity resources, both domestically and internationally, can have a significant effect on Canadian market performance. The uncertainty of economic environment and commodity markets could increase the volatility of the value of investments made by the sub-fund.

(b) European economic and Eurozone risk --

The sub-funds may be exposed to risks relating to investment in European countries or Eurozone. Many European governments continue to face high levels of public debt and substantial budget deficits, which hinder economic growth in the region. Due to these large public deficits, some European issuers may continue to have difficulty accessing capital and may be dependent on emergency assistance from European governments and institutions to avoid defaulting on their outstanding debt obligations. The economic and financial difficulties in Europe may continue to get worse or spread within and outside Europe although certain measures and reforms have been taken by the relevant governments and/or authorities. There are concerns that these measures and reforms may not have the desired effect and the future stability and growth of Europe remains uncertain. In light of ongoing concerns on fiscal conditions and the sovereign debt risk of certain countries within the Eurozone, the sub-funds' investments in the region may be subject to higher volatility, liquidity, currency and default risks. Any adverse events, such as credit downgrade of a sovereign or a potential exit of European Union Member States from the Eurozone, may result in increased currency risk and credit risk on issuers from those countries and the future stability and growth of those countries may be negatively affected, and may lead to a negative impact on the value of the sub-funds. The economic and financial difficulties in Europe will also negatively affect the companies that are located in, based on or closely related to the European market. If a crisis occurs in Europe, economic recovery may take some time and future growth will be affected. The value and performance of the sub-funds may be significantly and adversely affected.

(c) Foreign exchange risk -- The base currency of the FTSE MPF North America Index (unhedged) and FTSE MPF Europe Index (unhedged) is Hong Kong dollars. The sub-funds will invest in currencies other than Hong Kong dollars. As the underlying indices for the two sub-funds, BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund, are unhedged indices, that is, each of these sub-funds will not hedge its non-Hong Kong dollar currency exposure in the relevant index back into Hong Kong dollars, the Investment Manager may not hedge the currency exposure of the two sub-funds. Hence, the two sub-funds will be subject to exchange rate fluctuations and it is possible that it may lead to a consequential reduction in the Hong Kong dollar value of investments.

(d) Licensing risk relating to the relevant underlying index – The initial term of the licence agreements respectively for FTSE MPF North America Index (unhedged) and FTSE MPF Europe Index (unhedged) dated 29 September 2021 (as amended and supplemented from time to time) between the Investment Manager and the relevant index provider, may have a limited duration. Upon the expiration of the initial twelve (12)-month term, the licence agreements will be automatically renewed for successive terms of twelve (12) months at a time. Notwithstanding this, either the Investment Manager or the index provider may terminate the licence agreement(s) by giving at least six (6) months' prior written notice, such notice to take effect only at the end of the initial term of the licence(s) or at the end of any renewal term of the licence(s) (as applicable). If the relevant underlying index is discontinued or the Investment Manager's licence from the index provider under the relevant licence agreement is terminated, the Investment Manager may seek the prior approval of the SFC to replace the relevant underlying index with an index that is tradable and has similar objectives to the existing index in accordance with the provisions of the Trust Deed. For the avoidance of doubt, index-tracking will remain the sub-funds' investment primary objective.

The Investment Manager, as the licensee, shall indemnify the index provider, its group companies and their respective directors, officers, employees, agents, and the index provider's index partners and third party licensors, on demand from and against all claims, losses, settlements and judgments, from time to time arising out of, or in connection with (i) the use of any service under the licence agreement by the Investment Manager or any third party that uses such service because of the Investment Manager (or any decisions or advice arising out of such use); (ii) the creation or use of any data under the licence agreement or anything based on any such data by the Investment Manager or any third party who uses any of them because of the Investment Manager; and (iii) the sub-funds or any trading in, or other dealing in relation to, the sub-funds.

The Investment Manager's licence(s) from the index provider may be terminated if (1) the licence agreement(s) is/are not extended after the expiry of the initial term or a renewal term; or (2) the index provider ceases to calculate and publish the relevant index by giving written notice to the Investment Manager at least three (3) months in advance other than where a shorter notice period is permitted if the index provider terminates the provision of any service due to occurrence of interruption to the supply of data and communications from multiple third parties. Further, it is possible that the index provider may terminate the Investment Manager's licence(s) under the following circumstances:

- if the Investment Manager breaches the warranty that it will be in material compliance at all times with all applicable securities laws and maintain all applicable regulatory approvals and consents;
- if the Investment Manager is convicted of any offence relating to the sub-fund(s);
- if the Investment Manager is found to be in material breach of any applicable securities laws; or
- if the Investment Manager has failed to pay any sums due under the relevant licence agreement by the due date and the index provider has notified the Investment Manager in writing that the sums are overdue and the sums have remained unpaid for a period of thirty (30) days following the date such notice is received by the Investment Manager.

Either party may terminate the licence agreement(s) immediately by notice under certain circumstances, such as:

- if the other materially breaches any term of the licence agreement(s) and it is not possible to remedy that breach;
- if the other materially breaches any term of the licence agreement(s) and it is possible to remedy that breach, but the other fails to do so within thirty (30) days of being requested to do so; or
- if the other party suffers an insolvency event as defined in the licence agreement(s) (for example, a meeting of creditors being held or an arrangement or general

assignment for the benefit of creditors being proposed in relation to that party, or a receiver or other similar person taking possession of or being appointed over the whole or a material part of the assets of that party, or an order being made for the winding-up or bankruptcy of that party).

(e) Tax risk -- Investors should note that dividends and certain interests or other income paid to the sub-funds or realized gains from the sale of securities in some markets may be subject to tax, levies, duties or other fees or charges imposed by the authorities of the markets of which the sub-funds invests in which may negatively impact on the sub-funds' performance and distributions (if applicable) that the unitholders may receive from the sub-funds.

There is no assurance that the applicable tax law will not be changed in the future. The relevant tax authorities may impose additional tax policies from time to time, which may have retrospective effect. The sub-funds may therefore need to bear additional taxation in such countries that is not anticipated either at the date of this Principal Brochure or when investments are made, valued or disposed of.

In certain cases, a double-taxation treaty may exist and serve to eliminate or ameliorate the effect of such taxation. In other cases, no such double-taxation treaty may exist. For example, the sub-fund may invest in equity securities of U.S. issuers. Dividends on the equity securities of U.S. corporations generally will be subject to a 30% U.S. withholding tax. Interest payments on certain debt obligations of U.S. obligors similarly may be subject to a 30% U.S. withholding tax. Distributions on the non-U.S. securities in which the sub-fund invests, including ADRs, EDRs and GDRs, may be subject to taxes withheld by the country of residence of the issuer of the underlying securities. In general, these taxes will be neither refundable nor subject to reduction under an income tax treaty between the country of source and the country of residence of the sub-fund. No assurance can be given that applicable tax laws and interpretations thereof will not be changed or amended in the future in a manner that will adversely affect the net asset value of the sub-fund.

(f) Smaller capitalization -- Investing in smaller companies may involve greater risk than investing in larger, more established companies. For example, small capitalization companies may have limited product lines, markets and financial or managerial resources. As a result, price movements in securities of smaller capitalization companies may be more volatile. Transaction costs in securities of smaller capitalization companies can be higher than those of larger capitalization companies and there may be less liquidity.

In addition to the risk factors set out above, investors should note the following risk factors with respect to BOC-Prudential S&P 500 Index Fund:

(a) Licensing risk relating to the underlying index -- The initial term of the licence agreement dated 25 May 2016 (as amended and supplemented from time to time) signed between the Investment Manager and the index provider, may have a limited duration. Upon the expiration of an initial five-year term, the licence agreement will automatically renew for successive terms of three years at a time unless either party notify the other party not to extend the term by serving at least six (6) months prior written notice. If the relevant underlying index is discontinued or the Investment Manager's licence from the index provider under the relevant licence agreement is terminated, the Investment

Manager may seek the prior approval of the SFC to replace the relevant underlying index with an index that is tradable and has similar objectives to the existing index in accordance with the provisions of the Trust Deed. For the avoidance of doubt, index-tracking will remain the sub-fund's investment primary objective.

The Investment Manager, as the licensee, shall, at its sole cost and expense, defend, indemnify and hold the index provider and its affiliates harmless from and against all losses, damages, liabilities, costs judgments, charges and expenses (including reasonable attorneys' fees) arising out of or relating to (i) a breach by the Investment Manager or its affiliates of the licence agreement, except insofar as it relates to a breach of the index provider of its representations or warranties, agreements or covenants under the licence agreement, or (ii) the sub-fund.

The Investment Manager's licence from the index provider may be terminated if (1) the licence agreement is not extended after the expiry of the initial term; or (2) the index provider ceases to create, compile and publish the relevant index and the index provider should give at least ninety (90) days written notice to the Investment Manager in accordance with the licence agreement. Further, it is possible that the index provider may terminate the Investment Manager's licence upon ninety (90) days (or upon such lesser period of time if required pursuant to a court order) prior written notice to the Investment Manager under the following circumstances:

- if the index provider is informed of the final adoption of any legislation or regulation or the issuance of any interpretation that in the index provider's reasonable judgment materially impairs the index provider's ability to license and provide the relevant index and/or the trade name and trademark in connection with the relevant index (the "S&P Marks") under the licnese agreement; or
- if any litigation or proceeding is threatened or commenced and the index provider reasonably believes that such litigation or proceeding would have a material and adverse effect upon the index or the S&P Marks or upon the ability of the index provider to perform under the license agreement.

Either party may terminate the licence agreement under certain circumstances, such as:

- by sixty (60) days prior written notice if the terminating party believes in good faith that material damage or harm is threatened or occurring to its reputation or goodwill by reason of its continued performance under the licence agreement, and the condition threatening or causing such damage or harm is not corrected within the notice period;
- by thirty (30) days prior written notice in the event of any breach of the material terms or conditions of the licence agreement by the other party, and such other party fails to cure or correct the breach within the notice period; or
- by written notice to terminate the licence agreement forthwith if the other party is adjudicated as bankrupt or if a petition in bankruptcy is filed by or against the other party or if the other party makes an assignment for the benefit of creditors or an arrangement pursuant to any bankruptcy act or insolvency laws.

(b) Risks related to investing in the U.S. -- The sub-fund will concentrate its investment in the U.S. securities market which may be more volatile than other securities markets and may be subject to a higher level of risk compared to investing in a more diversified portfolio. Changes in financial regulations, tax regulations or governmental regulations on trade, decreasing imports or exports, terrorist acts, political movements and/or an economic crisis or recession in the U.S. may have a significant adverse effect on the U.S. economy. Such changes may have a negative impact on the investments held by the sub-fund.

(c) North America economic risk -- Certain changes in the U.S. economy, such as when the U.S. economy weakens or when its financial markets decline, may have an adverse effect on the securities to which BOC-Prudential S&P 500 Index Fund has exposure. Economic events in any North American country can have a significant economic effect on the entire North American region and on some or all of the North American countries in which it invests. Political developments in the U.S. could negatively impact the value of securities held by the sub-fund. A decrease in U.S. imports or exports, new trade and financial regulations or tariffs, changes in the U.S. dollar exchange rate or an economic slowdown in the U.S. may have a material adverse effect on the economic conditions of such countries and, as a result, securities to which the sub-fund has exposure.

(d) Tax risk -- Investors should note that dividends and certain interests or other income paid to the sub-fund or realized gains from the sale of securities in some markets may be subject to tax, levies, duties or other fees or charges imposed by the authorities of the markets of which the sub-fund invests in which may negatively impact on the sub-fund's performance and distributions (if applicable) that the unitholders may receive from the sub-fund.

There is no assurance that the applicable tax law will not be changed in the future. The relevant tax authorities may impose additional tax policies from time to time, which may have retrospective effect. The sub-fund may therefore need to bear additional taxation in such countries that is not anticipated either at the date of this Principal Brochure or when investments are made, valued or disposed of.

In certain cases, a double-taxation treaty may exist and serve to eliminate or ameliorate the effect of such taxation. In other cases, no such double-taxation treaty may exist. For example, the sub-fund may invest in equity securities of U.S. issuers. Dividends on the equity securities of U.S. corporations generally will be subject to a 30% U.S. withholding tax. Interest payments on certain debt obligations of U.S. obligors similarly may be subject to a 30% U.S. withholding tax. Distributions on the non-U.S. securities in which the sub-fund invests, including ADRs, EDRs and GDRs, may be subject to taxes withheld by the country of residence of the issuer of the underlying securities. In general, these taxes will be neither refundable nor subject to reduction under an income tax treaty between the country of source and the country of residence of the sub-fund. No assurance can be given that applicable tax laws and interpretations thereof will not be changed or amended in the future in a manner that will adversely affect the net asset value of the sub-fund.

In addition to the risk factors set out above, investors should also note the following risk factors with respect to BOC-Prudential MSCI MPF Golden Dragon Index Fund, BOC-Prudential MSCI Japan Index Fund and BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund:

(a) Licensing risk relating to the underlying index

The initial term of the licence agreement dated 2 February 2015 (as amended and supplemented from time to time) signed between the Investment Manager and the index provider, may have a limited duration. Upon the expiration of the initial one year term, the licence agreement will automatically renew for successive terms of one year at a time. Notwithstanding this, either the Investment Manager or the index provider may terminate the licence agreement by giving at least ninety (90) days prior written notice. If the relevant underlying index is discontinued or the Investment Manager's licence from the index provider under the relevant licence agreement is terminated, the Investment Manager may seek the prior approval of the SFC to replace the relevant underlying index with an index that is tradable and has similar objectives to the existing index in accordance with the provisions of the Trust Deed. For the avoidance of doubt, index-tracking will remain the relevant sub-fund's investment primary objective.

The Investment Manager, as the licensee, shall indemnify the index provider against any and all liabilities, costs, losses, damages, and expenses (including reasonable attorneys' and experts' fees) arising out of (i) any claim or action threatened or brought against the index provider and/or related parties which is related to the relevant sub-fund or the Investment Manager's use of any materials provided by the index provider or any act or omission of the Investment Manager that is related to the relevant sub-fund or the Investment Manager's use of any materials provided by the index provider or any other act or omission of the Investment Manager which contributes a breach of the licence agreement, (ii) or the Investment Manager's or any third party's use of, or inability to use, the relevant sub-fund.

The Investment Manager's licence from the index provider may be terminated if (1) the licence agreement is not extended after the expiry of the initial term; or (2) the index provider ceases to calculate and publish the relevant index and the index provider should give reasonable prior notice to the Investment Manager in accordance with the licence agreement. Further, it is possible that the index provider may terminate the Investment Manager's licence under the following circumstances:

- if the Investment Manager breaches the licence agreement for the relevant index and fails to rectify the breach in accordance with the licence agreement;
- if the SFC withdraws its authorization for the Fund and/or the relevant sub-fund;
- if the data licence agreement entered with the index provider or any portion thereof is terminated;
- if the index provider is informed of any legislation, regulation, order or rule that materially impairs the index provider's ability to license and provide any index or any trade name, trademark and service mark rights and all other index provider's marks (the "Marks");
- if any material litigation or regulatory proceeding regarding the relevant sub-fund, the index or the Marks is threatened or commenced;
- there is a change of control of the Investment Manager; or
- other circumstances specified by laws or regulations.

Either party may terminate the licence agreement by written notice under certain circumstances, such as:

- the other breaches any term of the licence agreement and it is not possible to remedy that breach;
- the other breaches any term of the licence agreement and it is possible to remedy that breach, but the other fails to do so in accordance with the licence agreement;
- if the other party makes a general assignment for the benefit of creditors, or files a voluntary petition in bankruptcy or for reorganization or arrangement under the bankruptcy laws, or if a petition in bankruptcy is filed against such

other party and is not dismissed within sixty (60) days after the filing, or if a receiver or trustee is appointed for all or any part of the property or assets of such other party; or

- if the licence agreement cannot be performed due to force majeure events.

In addition to the risk factors set out above, investors should also note the following risk factors with respect to BOC-Prudential MSCI MPF Golden Dragon Index Fund:

(a) Concentration risk

To the extent that the MSCI MPF Golden Dragon Index concentrates in equity securities listed on the SEHK or Taiwan Stock Exchange, the Investment Manager may similarly concentrate the sub-fund's investments. Such concentration of investments will increase the sub-fund's vulnerability to the economic, political or regulatory or tax developments of a particular market or region. This may also result in greater degree of volatility and of risk than a diversified and broad-based fund.

(b) Specific risks associated with investments in H shares, shares of red-chip companies and shares of P-chip companies listed on SEHK –

(i) Emerging market / PRC market risk

Investing in the securities relating to the PRC is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market in particular.

Investment in an emerging market, such as the PRC involves special risks and considerations. The sub-fund may be subject to risks in relation to economic, political, social and regulatory development in the PRC. These risks include the possibility of: more volatile financial markets, price volatility, smaller capital markets, less developed economic, political and social conditions and policies, less developed clearance and settlement systems and procedures, greater risks in relation to foreign exchange and liquidity, nationalisation, expropriation, government control and intervention and different accounting standards, etc.. All these may have an adverse impact on performance of the sub-fund.

(ii) PRC tax considerations

Investors should also note that by investing in H shares and shares of companies listed on SEHK (that have been classified by the PRC tax authority as a PRC resident enterprise), the sub-fund may be subject to taxes imposed in the PRC, such as withholding of Corporate Income Tax.

1 Corporate Income Tax ("CIT")

Investing in H shares and shares of companies listed on SEHK

a) Capital gains

Under the prevailing PRC CIT Law and regulations, capital gains derived by an offshore fund on disposal of H shares and shares of companies listed on SEHK (that have been classified by the PRC tax authority as a PRC resident enterprise), could be subject to withholding income tax at 10%, subject to exemption under an applicable tax treaty (with the fulfillment of certain conditions). However, capital gains derived by an offshore fund on the disposal of shares of red-chip and P-chip companies traded on the SEHK market is not subject to withholding tax, if the following three elements are not pre-determined upfront by the buyer and seller: -

(i) parties to the purchase and sale of the shares;

(ii) the quantity of the shares being transferred; and

(iii) the transaction price.

b) Dividend income

Dividend and interest income derived from investment in H shares or certain shares of companies listed on SEHK (that have been classified by the PRC tax authorities as a PRC resident enterprise) by the sub-fund could be subject to the withholding income tax at 10% imposed by the PRC tax authorities which may reduce the income from the sub-fund and will have an impact on the performance of the sub-fund. The withholding tax rate may be reduced under an applicable tax treaty (subject to the fulfillment of certain conditions). The distributing company is the withholding agent but the fund is the taxpayer. If the distributing company fails to withhold, then the fund will need to pay the tax on its own.

2 Stamp Duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Where the contract for the sale of H shares is required to be brought into China for registration purposes, stamp duty may be imposed on both the seller and buyer of the shares, at the rate of 0.05%.

Tax Provision

The taxation laws and other regulations of the PRC are constantly changing, and may be changed with retrospective effect to the advantage or disadvantage of investors in the sub-fund. The interpretation and application of tax laws and other applicable regulations by the relevant authorities may not be as transparent or predictable as compared to the authorities administering similar regimes in other developed jurisdictions.

Since the sub-fund is the ultimate party which will bear the risks relating to PRC tax liabilities, any changes to legislation, the interpretation or application of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties (which may be on a retrospective basis) will impact on the sub-fund's returns. The sub-fund does not currently intend to make any tax provision in respect of investment in H shares, shares of red-chip companies and shares of P-chip companies listed on the SEHK. In case there is any uncertainty, the Investment Manager will decide whether tax provisions will be made in respect of the sub-fund for the tax obligations based on independent tax advice obtained. Even if provisions for taxation are made by the Investment Manager, the amount of such provisions may not reflect the exact extent of PRC tax liabilities. As a result, investors may be disadvantaged or advantaged, depending on the final outcome of any tax liability. If the actual applicable tax rate levied by the PRC tax authorities is more than the provision made, investors should note that the net asset value of the sub-fund may suffer more than the anticipated percentage of the provision as the sub-fund will have to bear the additional tax liabilities. There can be no guarantee that regulatory changes that have a detrimental impact on the investments of the sub-fund will not occur.

(c) Specific risks associated with investments in Taiwan market –

(i) Taiwan market risk

Investing in the securities in Taiwan is subject to the risks of investing in emerging markets generally which involves special risks and considerations and the risks specific to Taiwan market in particular.
The sub-fund may be subject to risks in relation to economic, political, social and regulatory development in Taiwan. There is a lower level of government supervision and enforcement activity in the regulation of the Taiwan securities market compared to those in more developed markets. There may also be political issues and the diplomatic situations, as well as social factors of the country/region might have an impact on the performance of the sub-fund. The performance of the sub-fund may be affected by uncertainties such as changes in the government in Taiwan or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of Taiwan. There may be substantial government intervention in the economy, including restrictions on investment in companies or industries deemed sensitive to relevant national interests.

(ii) Foreign exchange risk

The base currency of the sub-fund is Hong Kong dollars. The sub-fund may invest in securities denominated in a currency (for example, new Taiwan Dollars (TWD)) other than the base currency of the sub-fund. The sub-fund will therefore have exposure to fluctuations in currency exchange rates and this may have an adverse impact on the performance of the sub-fund.

Repatriation of capital invested may be hampered by changes in Taiwan regulations applicable to foreign investors, for example, potential interference by Taiwan governments through regulation of local exchange markets, foreign investment or particular transactions in foreign currency.

(iii) Risks relating to FINI and Taiwan tax considerations

If the sub-fund invests directly in companies listed on the Taiwan Stock Exchange, the sub-fund will be required to register with the Taiwan Stock Exchange and obtain an investment ID as Foreign Institutional Investors ("FINI") to enable it to invest in Taiwanese securities. As such the sub-fund may be subject to controls on foreign investment, including those relating to legal foreign ownership, which may include the risk of expropriation, nationalization and confiscation of assets, together with possible limitations on repatriation of invested capital.

A FINI in Taiwan is currently subject to 20% withholding tax on dividends of companies in Taiwan if no double tax treaty applies. Such rate may be reduced under the terms of the double tax treaties (if any). Further, securities transaction tax of 0.3% of the transaction is payable by the seller on the sale of Taiwanese securities. There is no certainty whether the Taiwanese government will increase the above tax rate or impose additional taxes on the sale and purchase of Taiwanese securities. Such taxes may adversely affect the performance of the sub-fund.

(d) Real Estate Investment Trusts "REITs" risks - The sub-fund is subject to risks inherent in REITs which invest primarily in real estate. REITs may be more volatile than other securities as they may trade less frequently and in smaller volume and they may have limited financial resources.

The performance of REITs will depend on various factors, such as management skills, for example, whether the manager is able to implement its strategy and whether the manager will change its strategy, change in value of the underlying properties, illiquidity of the investments which may affect the ability of REITs to change the investment or to liquidate part of the assets in response to changes in economic, market or other conditions, interest rate risks, changes in general and local economic conditions, taxation policies, non-renewal of expiring leases, unexpected expenditure or failure of lessees to meet their obligations. Further, REITs are subject to heavy cash flow dependency.

An investment in the sub-fund is not equivalent to an investment in a REIT. Investors should also note that the sub-fund may also invest in REITs that are not authorized by the SFC.

In addition to the risk factors set out above, investors should also note the following risk factor with respect to BOC-Prudential MSCI MPF Golden Dragon Index Fund, BOC-Prudential MSCI Japan Index Fund, BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund and BOC-Prudential FTSE MPF China A Index Fund:

(a) Mid-capitalization companies risk -- The sub-funds invest in large to mid-capitalization companies. The stocks of mid-capitalization companies may have lower liquidity and their prices are typically more volatile and more vulnerable to adverse business or economic developments than those of larger capitalization companies. This may impact the net asset value of the sub-funds to a larger extent than those funds that only invest in stocks of larger capitalization companies. Mid-capitalization companies generally have less diverse product lines than large-capitalization companies and thus are more susceptible to adverse developments concerning their products.

In addition to the general risk factors set out above, investors should note the following risk factors with respect to BOC-Prudential MSCI Japan Index Fund:

(a) Risk of Investing in Japan

(i) Single country and concentration risk – The sub-fund's investments focus on Japan. To the extent that the underlying index concentrates in Japanese securities market, the Investment Manager may similarly concentrate the sub-fund's investments. The value of the sub-fund may be more volatile than that of a fund having a more diverse portfolio of investments. 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 Japan market. This may result in higher risk because of particular market factors affecting Japan.

(ii) Economic and political risk – The growth of Japan's economy has remained relatively low. The Japanese economy is greatly dependent on international trade and has been adversely affected by the economic conditions of its trading partners. Future political developments may lead to changes in policy that might adversely affect the sub-fund's investments. Should political tension increases, it could adversely affect the Japanese economy and destabilize the region as a whole.

(iii) Large government debt risk – The Japanese economy faces several concerns, including a financial system with large levels of nonperforming loans, over-leveraged corporate balance sheets, extensive cross-ownership by major corporations, a changing corporate governance structure, and large government deficits. These issues may cause a slowdown of the Japanese economy.

(iv) Currency and exchange rate risk – The Japanese yen has fluctuated widely at times and any increase in its value may cause a decline in exports that could weaken the Japanese economy. The Japanese government has, in the past, intervened in the currency markets to attempt to maintain or reduce the value of the yen. Japanese intervention in the currency markets could cause the value of the yen to fluctuate sharply and unpredictably. Since the sub-fund will mainly invest in securities denominated in Japanese Yen, it will have exposure to fluctuation in currency exchange rate and that may have an adverse impact on the performance of the sub-fund.

(v) Geographic risk – Japan is located in a part of the world that has historically been prone to natural disasters such as earthquakes, volcanic eruptions, typhoons or tsunamis, and is economically sensitive to environmental events. Any such event may adversely impact the Japanese economy, causing an adverse impact on the value of the sub-fund.

In addition to the general risk factors set out above, investors should note the following risk factors with respect to BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund:

(a) Concentration risk- The sub-fund's investments focus on the Asia Pacific region (excluding Japan). To the extent the underlying index focuses on Asia Pacific region (excluding Japan), the Investment Manager may similarly concentrate the sub-fund's investments. The value of the sub-fund may be more volatile than that of a fund having a more diverse portfolio of investments. 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 market in the Asia Pacific region (excluding Japan).

(b) Asian stock exchanges risk -- Commissions for trades on Asian stock exchanges and custody expenses are generally higher than those applicable to developed markets. Settlement practices for transactions in Asian markets may involve delays beyond periods customary in more developed markets, possibly requiring the sub-fund to borrow funds or securities to satisfy their obligations arising out of other transactions.

(c) Emerging markets risk -- The sub-fund invests in Asia Pacific region which may be considered as emerging markets countries. This 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. Certain Asian stock markets may be less developed or efficient than developed markets or countries and may be more volatile. There may be less government supervision and regulation of Asian exchanges, brokers and listed companies. This may materially impact the price and volatility of the underlying stocks held by the sub-fund. Moreover, trading volume and size in Asian markets are usually lower than in developed markets and may result in reduced liquidity and potentially rapid and greater price fluctuations in certain circumstances.

In addition to the general risk factors set out above, investors should note the following risk factors with respect to BOC-Prudential FTSE MPF China A Index Fund:

(a) Licensing risk relating to the relevant underlying index – The initial term of the licence agreement for the underlying index dated 30 June 2021(as amended and supplemented from time to time) between the Investment Manager and the relevant index provider, may have a limited duration. Upon the expiration of the initial twelve (12)-month term, the licence agreement will be automatically renewed for successive terms of twelve (12) months at a time. Notwithstanding this, either the Investment Manager or the index provider may terminate the licence agreement by giving at least six (6) months prior written notice, such notice to take effect only at the end of the initial term of the licence or at the end of any renewal term of the licence (as applicable). If the relevant underlying index is discontinued or the Investment Manager's licence from the index provider under the relevant licence agreement is terminated, the Investment Manager may seek the prior approval of the SFC to replace the relevant underlying index with an index that is tradable and has similar objectives to the existing index in accordance with the provisions of the Trust Deed. For the avoidance of doubt, index-tracking will remain the sub-fund's investment primary objective.

The Investment Manager, as the licensee, shall indemnify the index provider, its group companies and their respective directors, officers, employees, agents, and the index provider's index partners and third party licensors, on demand from and against all claims, losses, settlements and judgements, from time to time arising out of, or in connection with (i) the use of any service under the licence agreement by the Investment Manager or any third party that uses such service because of the Investment Manager (or any decisions or advice arising out of such use); (ii) the creation or use of any data under the licence agreement or anything based on any such data by the Investment Manager or any third party who uses any of them because of the Investment Manager; and (iii) the sub-fund or any trading in, or other dealing in relation to, the sub-fund.

The Investment Manager's licence from the index provider may be terminated if (1) the licence agreement is not extended after the expiry of the initial term or a renewal term; or (2) the index provider ceases to calculate or publish the relevant index by giving written notice to the Investment Manager at least three (3) months in advance other than where a shorter notice period is permitted if the index provider terminates the provision of any service due to occurrence of interruption to the supply of data and communications from multiple third parties. Further, it is possible that the index provider may terminate the Investment Manager's licence under the following circumstances:

- if the Investment Manager breaches the warranty that it will be in material compliance at all times with all applicable securities laws and maintain all applicable regulatory approvals and consents;
- if the Investment Manager is convicted of any offence relating to the sub-fund;
- if the Investment Manager is found to be in material breach of any applicable securities laws; or
- if the Investment Manager has failed to pay any sums due under the licence agreement by the due date and the index provider has notified the Investment Manager that the sums are overdue and the sums have remained unpaid for a period of thirty (30) days following the date of the notice.

Either party may terminate the licence agreement immediately by written notice under certain circumstances, such as:

- if the other materially breaches any term of the licence agreement and it is not possible to remedy that breach;
- if the other breaches any term of the licence agreement and it is possible to remedy that breach, but the other fails to do so within thirty (30) days of being requested to do so; or
- if the other party suffers an insolvency event as defined in the licence agreement (for example, a meeting of creditors being held or an arrangement or general assignment for the benefit of creditors being proposed in relation to that party, or a receiver or other similar person taking possession of or being appointed over the whole or a material parts of that party, or an order being made for the winding-up or bankruptcy of that party).

In addition to the general risk factors set out above, investors should also note the following specific risks relating to investment in A shares by BOC-Prudential FTSE MPF China A Index Fund, BOC-Prudential MSCI MPF Golden Dragon Index Fund and BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund:

(a) PRC market risk

Investing in the PRC market involves special risks and consideration which may be different from other markets.

The value of the sub-funds' assets may be subject to varying degrees of impact as a result of the government policies, foreign exchange and monetary policies and tax regulations in the PRC. Such measures may have associated impact on the economy or financial market of Mainland China. The PRC government may from time to time adopt corrective measures to control the pace of the PRC economic growth. The PRC government's regulation on currency conversion and future movements in exchange rates may have corresponding effect on the operations and financial results of the companies invested in by the sub-funds. Furthermore, the PRC is developing and improving its clearance and settlement systems and procedures.

In recent years the PRC is experiencing an economic reform with Chinese characteristics and the PRC government is developing and improving the regulatory and legal framework for securities markets. It is uncertain how such reforms will impact on the stock markets as well as the performance of a sub-fund.

Companies in Mainland China are required to follow the Chinese accounting standards and practice which, to a certain extent, follow international accounting standards. However, there may be varying degrees of differences between financial statements prepared by accountants following the Chinese accounting standards and practice and those prepared in accordance with international accounting standards.

(b) Risk associated with high volatility of the equity market in Mainland China

High market volatility and potential settlement difficulties in the Mainland China equity market may result in significant fluctuations in the prices of the securities traded on such market and thereby may have an adverse impact on the prices of the PRC securities in which the sub-funds invest and thereby may adversely affect the value of the sub-funds.

(c) Risk associated with regulatory/ exchanges requirements/ policies of the equity market in Mainland China

The stock exchanges in the PRC on which A shares are traded are relatively at a developing stage and the choice of investments in the A share markets is limited as compared with other developed securities markets. Their trading volumes may be much lower than those in developed markets. Potential volatility and illiquidity of the A share markets may have an adverse impact on the prices of the PRC securities in which the sub-funds invest.

Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the sub-funds.

(d) Risks associated with Stock Connect

A sub-fund's investments in A shares through Stock Connect may be subject to the following risks:

(i) Quota limitations:

Each of the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is subject to a set of Daily Quota, which does not belong to the sub-funds and can only be utilized on a first come, first served basis. The Daily Quota is respectively monitored by the SEHK and SSE or SZSE (as the case may be). The Daily Quota limits the maximum net buy value of cross-boundary trades under each of the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect each day. The Daily Quota will be reset every day. Unused Daily Quota will not be carried over to next day's Daily Quota.

The Northbound Daily Quota balance is disseminated on the Hong Kong Exchanges and Clearing Limited (HKEx) website.

If the Northbound Daily Quota Balance drops to zero or Daily Quota is exceeded during the opening call auction session, new buy orders will be rejected.

Once the Northbound Daily Quota Balance drops to zero or the Daily Quota is exceeded during a continuous auction session, no further buy orders will be accepted for the remainder of the day.

It should be noted that quota limitations may restrict the sub-funds' ability to invest in A shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect on a timely basis, and the sub-funds may not be able to effectively pursue its investment strategies.

(ii) Suspension risk:

The SEHK, SSE and SZSE would reserve the right to suspend Northbound and/or Southbound trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension in the Northbound trading through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect is effected, the sub-funds' ability to access the PRC market will be adversely affected.

(iii) Differences in trading day:

Subject to any further trading calendar enhancement from time to time, Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading. So it is possible that there are occasions when it is a normal trading day for the PRC market but Hong Kong investors (such as the sub-funds) cannot carry out any trading of A shares. The sub-funds may be subject to a risk of price fluctuations in A shares during the time when Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect is not trading as a result.

(iv) Operation risk:

- Stock Connect provides new channels for investors from Hong Kong and overseas to access the China stock market directly.

- Stock Connect is premised on the functioning of the operational systems of the relevant market participants. Market participants are able to participate in Stock Connect subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house. Besides, securities regimes and legal systems of the two markets differ significantly and in order for the program to operate smoothly, market participants may need to address issues arising from the differences on an on-going basis.

- The "connectivity" in each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect requires routing of orders across the border. This requires the development of new information technology systems on the part of the SEHK and exchange participants (i.e. a new order routing system) to be set up by SEHK to which exchange participants need to connect. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems failed to function properly, trading in both markets through Stock Connect could be disrupted. The sub-funds' ability to access the A share market (and hence to pursue its investment strategy) will be adversely affected. The sub-funds may also incur trading or other unforeseeable losses in that event.

(v) Restrictions on selling imposed by front-end monitoring:

- PRC regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE and/or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on A shares sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

- If the sub-funds desire to sell certain A shares it holds, to the extent those A shares are not kept in the Special Segregated Account (SPSA) maintained with CCASS, it must transfer them to the respective accounts of its brokers before the market opens on the day of selling. If it fails to meet this deadline, it will not be able to sell those shares on such day.

(vi) Recalling of eligible stocks:

If a stock is recalled from the scope of eligible stocks for trading via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (as the case may be), the stock can only be sold and cannot be bought. This may affect the investment portfolio of the sub-funds. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by SEHK, SSE and/or SZSE.

(vii) Clearing and settlement risk:

- Hong Kong Securities Clearing Company Limited ("HKSCC") and China Securities Depository and Clearing Corporation ("CSDCC") will establish the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

- Should the remote event of CSDCC default occur and CSDCC be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against CSDCC. HKSCC will in good faith, seek recovery of the outstanding stocks and monies from CSDCC through available legal channels or through CSDCC's liquidation. In that event, the sub-funds may suffer delay in the recovery process or may not be able to fully recover its losses from CSDCC.

(viii) Counterparty risk relating to brokers:

Investment through each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is conducted through broker(s), and is subject to the risks of default by such brokers' in their obligations. Each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect follows the A share settlement cycle where the A shares are settled on the same trade day and cash on a T+1 basis. Although the sub-funds may have settlement arrangements in place with brokers different from the A share settlement cycle, the deliveries of A shares and payments therefor may not be simultaneous.

(ix) Participation in corporate actions and shareholders' meetings:

- HKSCC will keep CCASS participants informed of corporate actions of A shares. Hong Kong and overseas investors (including the sub-funds) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of A shares may be as short as one Business Day only. Therefore, the sub-funds may not be able to participate in some corporate actions in a timely manner.

- Hong Kong and overseas investors (including the sub-funds) are holding A shares traded via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (as the case may be) through their brokers or custodians. According to existing Mainland practice, multiple proxies are not available. Therefore, the sub-funds may not be able to appoint proxies to attend or participate in shareholders' meetings in respect of A shares.

(x) Regulatory risk:

- Each of Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect is novel in nature, and will be subject to regulations promulgated by regulatory authorities and implementation rules made by the stock exchanges in the PRC and Hong Kong. Further, new regulations may be promulgated from time to time by the regulators in connection with operations and cross-border legal enforcement in connection with cross-border trades under Stock Connect.

- It should be noted that the regulations are untested and there is no certainty as to how they will be applied. Moreover, the current regulations are subject to change. There can be no assurance that Stock Connect will not be abolished. The sub-funds, which may invest in the PRC market through Stock Connect, may be adversely affected as a result of such changes.

(xi) Foreign exchange/ currency conversion risk:

The sub-funds may be subject to exchange rate fluctuations between Hong Kong dollars and RMB (specifically CNH or CNY) given that the sub-funds are denominated in Hong Kong dollars, but the A shares acquired via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect are denominated in CNH. The sub-funds may also be subject to bid/offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.

(e) PRC tax risk

Various tax reforms have been implemented by the PRC government in recent years. There can be no assurance that these existing tax laws will not be revised or abolished. The sub-fund may be subject to withholding and various other taxes imposed in Mainland China. Any changes in tax policies may affect adversely the performance of companies in the PRC or companies with activities closely related to the economic development and growth of the PRC.

1 Corporate Income Tax ("CIT")

Investing in A shares

a) Capital gains

Under the prevailing PRC CIT Law, gains derived by a non-resident from the trading of A shares would be subject to PRC withholding income tax ("WHT") unless exempted under tax law and/or an applicable tax treaty.

Pursuant to "Caishui [2014] No. 81 – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets" ("Circular 81") and "Caishui [2016] No. 127 – The Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets" ("Circular 127"), effective from 17 November 2014 and 5 December 2016 respectively, Hong Kong market investors, both enterprises and individuals, investing in A shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect are temporarily exempted from income tax on capital gains derived from the sales of A shares traded in the SSE and SZSE.

According to Circular 81 and Circular 127, the latest tax provisioning approach for capital gains is as follows:

Based on professional and independent tax advice, the sub-fund currently will not set aside any tax provision for capital gains derived from trading of A shares by the sub-fund in investing in A shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect.

The Investment Manager will assess the tax provisioning approach on an on-going basis. Should the PRC tax policies in respect of the tax change, the Investment Manager may decide to set aside a provision to meet any potential tax liability in the future. Prospective investors should consult their independent tax advisors regarding the possible implications of tax on capital gains on an investment in the sub-fund.

b) *Dividend income*

To date, a 10% PRC WHT has been levied on dividends, distributions and interest payments from PRC listed companies to foreign investors.

The sub-fund in investing A shares directly via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, would be subject to a WHT of 10% on all cash dividends payment or cash proceeds which were referable to dividends or distributions arising from A shares. There is no assurance that the rate of the WHT will not be changed by the relevant PRC tax authority in the future.

2 Value-added Tax ("VAT") and Surtaxes

Gains derived from trading of A shares are subject to VAT at 6%. If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of VAT payable.

According to Caishui [2016] No. 36 ("Circular 36") and Circular 127, the sub-fund is exempted from VAT on A share trading activities through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect.

3 Stamp Duty

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of A shares traded on the PRC stock exchanges. In the case of contracts for sale of A shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

According to Circular 127, Hong Kong and overseas investors borrow and return listed shares in relation to shares guarantee and short-selling through Stock Connect, will be exempted from stamp duty from 5 December 2016.

4 Tax Provision

The taxation laws and other regulations of the PRC are constantly changing, and may be changed with retrospective effect to the advantage or disadvantage of investors in the sub-fund. The interpretation and application of tax laws and other applicable regulations by the relevant authorities may not be as transparent or predictable as compared to the authorities administering similar regimes in other developed jurisdictions.

Since the sub-fund is the ultimate party which will bear the risks relating to PRC tax liabilities, any changes to legislation, the interpretation or application of legislation, or the granting of foreign investors the benefit of tax exemptions or international tax treaties (which may be on a retrospective basis) will impact on the sub-fund's returns. In case there is any uncertainty, the Investment Manager will decide whether tax provisions will be made in respect of the sub-fund for the tax obligations based on independent tax advice obtained. Even if provisions for taxation are made by the Investment Manager, the amount of such provisions may not reflect the exact extent of PRC tax liabilities. As a result, investors may be disadvantaged or advantaged, depending on the final outcome of any tax liability. If the actual applicable tax rate levied by the PRC tax authorities is more than the provision made, investors should note that the Net Asset Value of the sub-fund may suffer more than the anticipated percentage of the provision as the sub-fund will have to bear the additional tax liabilities. There can be no guarantee that regulatory changes that have a detrimental impact on the investments of the sub-fund will not occur.

In addition, it is the intention of the Investment Manager to operate the affairs of the Investment Manager and the sub-fund such that they are not Mainland China tax resident enterprises and have no establishment or place of business ("PE") in Mainland China for Mainland China CIT purposes, although this is not guaranteed.

Although the relevant authorities have announced that PRC CIT and VAT will be temporarily exempted on gains derived by Hong Kong and overseas investors (including the sub-fund) on the trading of A shares through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, dividends from A shares paid to Hong Kong and overseas investors will continue to be subject to 10% PRC WHT and the company distributing the dividend has the withholding obligation. Further, investors should note that the aforesaid tax exemption on gains derived from trading of A shares via Stock Connect under Circular 81, Circular 127 and Circular 36 was granted on a temporary basis and there is no assurance that the sub-fund will continue to enjoy the tax exemption over a long period of time. It is possible that any future announcement by the PRC tax authority may subject the sub-fund to unforeseen tax obligations, which may have retrospective effect.

Investors should seek their own tax advice on their Mainland China tax position with regard to their investment in the sub-fund.

In view of the risk factors as mentioned above, the sub-funds are only suitable for investors who can afford the relevant risks involved.

3.3 Investment Restrictions and Guidelines

The assets in the sub-funds may be invested only in the investments permitted under and in accordance with Chapters 7 and 8.6 of the UTMF Code issued by the SFC (as applicable).

No holding of any security may be acquired for or added to a sub-fund which would be inconsistent with achieving the investment objective of the sub-fund.

Further, the following investment restrictions will apply to each sub-fund unless otherwise stated:

(i) No holding of any security may be acquired for or added to a sub-fund which would result in the aggregate value of a sub-fund's latest investments in, or exposure to, any single entity through the following exceeding 10% of its latest available net asset value unless otherwise approved by the SFC:

(a) investments in securities issued by that entity;

(b) exposure to that entity through underlying assets of financial derivative instruments (see restriction in (xiv) below); and

(c) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments (see restriction in (xv(c)) below).

(ii) Notwithstanding (i), more than 10% of the net asset value of a sub-fund may be invested in constituent securities issued by a single issuer provided that:

(a) it is limited to any constituent securities that each accounts for more than 10% of the weighting of the underlying index; and

(b) unless otherwise approved by the SFC, the sub-fund's holding of any such constituent securities may not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

(iii) The restrictions in (ii) above shall not apply if:

(a) a sub-fund adopts a representative sampling strategy which does not involve the full replication of the constituent securities of the underlying index in the exact weightings of the underlying index;

(b) the strategy is clearly disclosed in this Principal Brochure;

(c) the excess of the weightings of the constituent securities held by the sub-fund over the weightings in the underlying index is caused by the implementation of the representative sampling strategy;

(d) any excess weightings of the sub-fund's holdings over the weightings in the underlying index is subject to a maximum limit reasonably determined by the sub-fund after consultation with the SFC having regard to the characteristics of the underlying constituent securities, their weightings and the investment objectives of the underlying index and any other suitable factors and such limit is disclosed in this Principal Brochure. Currently, the maximum limit of the excess weightings of each sub-fund's holdings over the weightings in the underlying index is 4% and such limit is disclosed in under sub-section headed "3.1 Investment Objectives and Policies of the sub-fund" above;

(e) disclosure shall be made in the sub-fund's interim and annual reports as to whether the limit imposed by the underlying index itself pursuant to the above paragraph have been complied with in full. If there is non-compliance with the said limit during the relevant reporting period, this shall be reported to the SFC on a timely basis and an account for such non-compliance shall be stated in the report relating to the period in which the non-compliance occurs or otherwise notified to unitholders.

(iv) Subject to restrictions in (i) above and (xv)(c) below, no holding of any security may be acquired for or added to a sub-fund which would result in the aggregate value of a sub-fund's investments in, or exposure to, entities within the same group through the following exceeding 20% of the latest available net asset value of the sub-fund:

(a) investments in securities issued by those entities;

(b) exposure to those entities through underlying assets of financial derivative instruments (see restriction in (xiv) below); and

(c) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments (see restriction in (xv(c)) below).

(v) No cash deposits shall be made in respect of a sub-fund which would result in the value of the sub-fund's cash deposits (as defined under Note (1) to Chapter 7.1B of the UTMF Code) made with the same entity or entities within the same group (as defined under Note (1) to Chapter 7.1A of the UTMF Code) exceeding 20% of the latest available net asset value of the sub-fund, provided that such 20% may be exceeded in the following circumstances:

(a) cash held before the launch of the sub-fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or

(b) cash proceeds from liquidation of investments prior to the merger or termination of the sub-fund, whereby the placing of cash deposits with various financial institutions would not be in the best interests of unitholders; or

(c) cash proceeds received from subscriptions pending investments and cash held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions be unduly burdensome and the cash deposits arrangements would not compromise the unitholders' interests.

(vi) Due to the index tracking nature of a sub-fund, the SFC may, upon sufficient justification, consider not requiring the sub-fund to strictly comply with the investment restrictions in (iv) and (v) above on a case-by-case basis.

(vii) No holding of any security may be acquired for or added to a sub-fund which would result in a sub-fund holding more than 10% of any ordinary shares issued by any single entity, or when aggregated with the holdings of such ordinary shares held by all other sub-funds, collectively holding more than 10% of any ordinary shares issued by any single entity.

(viii) No holding of any security may be acquired for or added to a sub-fund which would result in the value of a sub-fund's investments in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a market (as defined under Chapter 7.3 of the UTMF Code) exceeding 15% of its latest available net asset value.

(ix) (a) Notwithstanding restrictions in (i), (iv) and (vii) above, the sub-fund may invest in Government and other public securities (as specified in Notes (1) and (2) to Chapter 7.5 of the UTMF Code) PROVIDED THAT no such securities shall be acquired or added to a sub-fund if as a result thereof the value of the sub-fund's investment in such securities of the same issue would exceed 30% of the sub-fund's latest available net asset value.

(b) Subject to the approval of the SFC, the 30% limit in restriction (ix)(a) may be exceeded and each sub-fund may invest all of its assets in Government and other public securities in any number of different issues despite the restriction set out in Chapter 7.5 of the UTMF Code.

(x) A sub-fund shall not invest in physical commodities unless otherwise approved by the SFC on a case-by-case basis, taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary.

(xi) (a) Unless otherwise stated, restrictions in (i), (iv), (vii) and (viii) above shall not apply, and the following paragraph under this (xi)(a) and the restrictions in (xi)(b) to (xi)(e) below shall apply where a sub-fund invests in other Collective Investment Schemes (as defined in the UTMF Code).

No holding of Collective Investment Schemes may be acquired for or added to a sub-fund which would result in the value of the sub-fund's investment in units or shares in other Collective Investment Schemes which are non-eligible schemes (i.e. schemes which are not set out in the list of recognised jurisdictions issued by the SFC) and not authorised by the SFC in aggregate exceeding 10% of the latest available net asset value of the sub-fund.

(b) A sub-fund may invest in one or more Collective Investment Schemes which are either authorized by the SFC or eligible schemes (i.e. schemes which are set out in the list of recognised jurisdictions issued by the SFC). No holding of Collective Investment Schemes may be acquired for or added to the sub-fund which would result in the value of the sub-fund's investment in units or shares in each such Collective Investment Scheme exceeding 30% of its latest available net asset value, unless the Collective Investment Scheme is authorized by the SFC, and the name and key investment information of the Collective Investment Scheme are disclosed in this Principal Brochure.

(c) In addition, the objective of each Collective Investment Scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the UTMF Code, and where such Collective Investment Scheme's objective is to invest primarily in investments restricted by Chapter 7 of the UTMF Code, such investments may not be in contravention of the relevant investment limitation.

(i) Where the Collective Investment Schemes are also managed by the Investment Manager, or by other companies within the same group that the Investment Manager belongs to, then paragraphs (i), (iv), (vii) and (viii) above are also applicable to investments of the Collective Investment Schemes.

(ii) A Collective Investment Scheme's objective may not be to invest primarily in other Collective Investment Scheme(s).

(iii) For the avoidance of doubt, a sub-fund may invest in scheme(s) authorized by the SFC under Chapter 8 (except for hedge funds under Chapter 8.7 of the UTMF Code), eligible scheme(s) (i.e. schemes which are set out in the list of recognised jurisdictions issued by the SFC) of which the net derivative exposure does not exceed 100% of its total net asset value, and exchange traded funds ("ETFs") satisfying the requirements in the Note under "Investment in other schemes" of Chapter 7 of the UTMF Code in compliance with Chapter 7.11 and 7.11A of the UTMF Code.

(iv) Unless otherwise stated, ETFs satisfying the requirements in the Note under "Investment in other schemes" of Chapter 7 of the UTMF Code shall be considered and treated by the Investment Manager as listed securities for the purposes of and subject to restrictions in (i), (iv) and (vii) above. As such, no holding of any ETF may be acquired or added to a sub-fund which would result in the sub-fund's investment in each ETF exceeding 10% of its net asset value, unless otherwise stated.

(d) Where a sub-fund invests in any Collective Investment Scheme(s) managed by the Investment Manager or by a connected person of the Investment Manager, all initial charges and redemption charges on the underlying Collective Investment Scheme(s) shall be waived.

(e) The Investment Manager of a sub-fund or any person acting on behalf of a sub-fund or the Investment Manager shall not obtain a rebate on any fees or charges levied by an underlying Collective Investment Scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying Collective Investment Scheme.

(xii) A sub-fund may acquire financial derivative instruments for hedging purposes. For the purpose of this restriction, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

(xiii) A sub-fund may acquire financial derivative instruments for non-hedging purposes ("investment purposes") subject to the limit that the sub-fund's net exposure relating to these financial derivative instruments (“net derivative exposure”) does not exceed fifty per cent (50%) of the latest available net asset value of the sub-fund.

(xiv) Subject to restrictions (xiii) above and (xv) below, a sub-fund may invest in financial derivative instruments provided that no holding of any such financial derivative instruments may be acquired or added to the sub-fund which would result in the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the sub-fund, in aggregate exceeding the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in restrictions (i), (iv), (v), (ix), (xi)(a), (xi)(b), and (xi)(c) above and restriction (xx) below.

(xv) The financial derivative instruments invested by a sub-fund shall be either listed/quoted on a stock exchange or dealt in over-the-counter market and shall comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of Collective Investment Schemes, deposits with substantial financial institutions, Government and other public securities, highly-liquid physical commodities, financial indices, interest rates, foreign exchange rates, currencies, or other asset classes acceptable to the SFC, in which a sub-fund may invest according to its investment objectives and policies;

(b) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions;

(c) subject to the restrictions (i) and (iv) above, a sub-fund’s net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of the latest available net asset value of the sub-fund; and

(d) the valuation of the financial derivative instruments is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Investment Manager or the Trustee, or their nominee(s), agent(s) or delegate(s) independent of the issuer of the financial derivative instruments through measures such as the establishment of a valuation committee or engagement of third party services. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at a sub-fund's initiative. Further, calculation agent/fund administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.

(xvi) For the avoidance of doubt, restrictions and limitations on counterparty as set out in restrictions (i), (iv) and (xv)(c) above will not apply to financial derivative instruments that are:

(a) transacted on an exchange where the clearing house performs a central counterparty role; and

(b) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

(xvii) A sub-fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for investment purposes).

(xviii) Subject to restriction (xvii) above, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a sub-fund shall be covered as follows:

(a) in the case of financial derivative instruments transactions which will, or may at the sub-fund's discretion, be cash settled, the sub-fund shall at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the sub-fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Investment Manager considers the underlying assets to be liquid and tradable, the sub-fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation.

(xix) Where a financial instrument embeds a financial derivative (as defined in Chapter 7.31 of the UTMF Code), restrictions (xii) to (xviii) above will also apply to the embedded financial derivative.

(xx) The sub-fund may not invest in any type of real estate (including buildings) or interests in real estate (including options or rights but excluding shares in real estate companies and interests in real estate investment trusts (REITs)). In the case of investments in such shares and REITS, they shall comply with the investment limits as set out in restrictions (i), (iv), (vii), (viii) and (xi)(a) above, where applicable. For the avoidance of doubt, where investments are made in listed REITs, the investment limits as set out in restrictions (i), (iv) and (vii) above apply, and where investments are made in unlisted REITs, which are either companies or Collective Investment Schemes, restrictions in (viii) and (xi)(a) above apply respectively.

(xxi) No short sale may be made if it results in the sub-fund's liability to deliver securities exceeding 10% of its total net asset value of the sub-fund or if the security which is to be sold short is not actively traded on a market where short selling activity is permitted. For the avoidance of doubt, the sub-fund is prohibited to carry out any naked or uncovered short sale of securities and short selling should be carried out in accordance with all applicable laws and regulations.

(xxii) Subject to restriction (viii) above, the sub-fund may not lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person.

(xxiii) The sub-fund may not acquire any asset or engage in any transaction which involves the assumption of any liability which is unlimited.

(xxiv) The liability of unitholders shall be limited to their investments in a sub-fund.

(xxv) The sub-fund may not invest in any security of any class in any company or body if any director or officer of the Investment Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or collectively the directors and officers of the Investment Manager own more than 5% of those securities.

(xxvi) No part of any sub-fund shall be applied in the acquisition of any security which are for the time being nil paid or partly paid in respect of which a call is to be made for any sum unpaid on that security unless that call could be met in full out of cash or near cash by such sub-fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purposes of restrictions (xvii) and (xviii) above.

(xxvii) A sub-fund may engage in securities lending, sale and repurchase and reverse repurchase transactions (collectively, "securities financing transactions"), provided that they are in the best interests of unitholders to do so and the associated risks have been properly mitigated and addressed. The counterparties to securities financing transactions shall be financial institutions which are subject to ongoing prudential regulation and supervision.

(xxviii)A sub-fund should have at least 100% collateralization in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralized counterparty risk exposure arising from these transactions.

(xxix) All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, should be returned to the relevant sub-fund.

(xxx) A sub-fund should ensure that it is able at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction(s) or terminate the securities financing transaction(s) into which it has entered.

General

If any of the investment and borrowing restrictions applicable to a sub-fund are breached, the Investment Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interests of unitholders.

At the date of this Principal Brochure, the Investment Manager has no intention to enter into securities lending transaction, repurchase agreements or similar OTC transactions on behalf of the sub-funds. The sub-funds may by giving to the unitholders no less than (1) month' prior written notice (or such shorter period of notice as the SFC may approve or allow) engage in securities lending transaction, repurchase agreements or similar OTC transactions on behalf of the sub-funds.

3.4 Investment Management

BOCI-Prudential Asset Management Limited will be responsible for the investment management of the Fund. Units in each sub-fund will be issued and redeemed in accordance with the terms set out in the Trust Deed and the relevant codes and regulations issued by the SFC.

3.5 Borrowing Restrictions

No new borrowing shall be made which would result in the aggregate borrowing exceeding10% of a sub-fund's total net asset value for the following purposes:

- facilitating the creation or redemption of units or defraying operating expenses;
- enabling the Investment Manager to acquire investments for the account of the sub-fund; or
- any other purpose as may be agreed by the Investment Manager and the Trustee from time to time.

Subject to the provisions of the UTMF Code and any other statutory requirements and restrictions, borrowing may be effected by the Trustee for the account of the sub-funds.

For this purpose, back-to-back loans do not count as borrowing.

The assets of the sub-fund may be charged or pledged as security for any such borrowings.

3.6 Level of Leverage

The expected maximum level of leverage of each sub-fund is as follows:

The Investment Manager is subject to the borrowing restrictions in respect of each sub-fund under the sub-section headed "3.5 Borrowing Restrictions" above.

No sub-fund is expected to incur any leverage from the use of financial derivative instruments.

3.7 Distribution Policy

Currently, the Investment Manager does not intend to make distributions in respect of the sub-funds and any income earned by the sub-funds will be reinvested in the relevant sub-fund and reflected in the value of units of the relevant class of that sub-fund.

4. VALUATION AND PRICING

4.1 Classes of Units

The following four classes of units in different currencies (as referred to in paragraphs below) are currently established for each sub-fund of the Fund.

Provident Class – Class A Units are available to any provident, pension or retirement funds/schemes managed or advised by the Investment Manager.

Provident Class – Class B Units are available to any provident, pension or retirement funds/schemes not managed or advised by the Investment Manager.

Provident Administration Class Units may be made, at the Investment Manager's discretion, available to pension, provident or retirement schemes which use the trust administrative and fiduciary services of the Trustee (the "Relevant Eligible Schemes").

Investment Class Units are available to those Collective Investment Schemes or other individual or institutional investors that fulfill the minimum investment and subsequent holding requirements as stated on page 61 below. This class is not applicable to investors who are eligible to invest in either the Provident Class Units or Retail Class Units.

Retail Class Units are available to retail investors and other investors. This class is not applicable to investors who are eligible to invest in either the Provident Class Units or Investment Class Units.

The base currency of each sub-fund is Hong Kong dollars.

Each of the five classes of units mentioned above may further be offered in different classes of units denominated in currencies which may be the same as or different from the base currency of the sub-fund.

Provident Class - Class A (HKD) Units, Provident Class - Class B (HKD) Units, Provident Class - Class B (USD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units, Retail Class (USD) Units and Retail Class (RMB) Units of each sub-fund are currently established.

For details in relation to the classes of Units of the relevant sub-fund that have been launched as at the date of this Principal Brochure, please refer to section "5.1 Initial issue of units" on pages 58 to 61 below.

Unless otherwise specified, references in this Principal Brochure to:

(i) "Provident Class Units" shall mean Provident Class – Class A Units and Provident Class – Class B Units; "Provident Class – Class A Units" shall mean Provident Class – Class A (HKD) Units and "Provident Class – Class B Units" shall mean Provident Class – Class B (HKD) Units and Provident Class – Class B (USD) Units;
(ii) "Provident Administration Class Units" shall mean Provident Administration Class (HKD) Units;

(iii) "Investment Class Units" shall mean Investment Class (HKD) Units and Investment Class (USD) Units; and
(iv) "Retail Class Units" shall mean Retail Class (HKD) Units, Retail Class (USD) Units and Retail Class (RMB) Units.

Provident Class - Class A (HKD) Units, Provident Class - Class B (HKD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units and Retail Class (HKD) Units are denominated in Hong Kong dollars.

Provident Class - Class B (USD) Units, Investment Class (USD) Units and Retail Class (USD) Units are denominated in U.S. dollars.

Retail Class (RMB) Units are denominated in RMB.

For the avoidance of doubt, where the sub-fund has:

(i) "Provident Class - Class A (HKD) Units", or such other class which name commences with 'Provident Class - Class A";
(ii) "Provident Class - Class B (HKD) Units", "Provident Class - Class B (USD) Units", or such other class which name commences with 'Provident Class - Class B";
(iii) "Provident Administration Class (HKD) Units", or such other class which name commences with "Provident Administration Class";
(iv) "Investment Class (HKD) Units", " Investment Class (USD) Units", or such other class which name commences with "Investment Class"; or
(v) "Retail Class Units (HKD) Units, "Retail Class Units (USD) Units", "Retail Class Units (RMB) Units", or such other class which name commences with "Retail Class",

each class of such Units shall be considered a separate class.

4.2 Valuation of Units

Valuation of each sub-fund shall be ascertained and the issue and redemption prices per unit of each class shall be calculated in accordance with a policy established by the Investment Manager in consultation with the Trustee and the Trust Deed as at close of business in the last relevant market to close on each Dealing Day. In general, the value of the investments in the sub-funds shall be determined as follows:

(i) except in the case of any interest in a Collective Investment Scheme to which paragraph (ii) applies and subject as provided in paragraph (vi) below, the value of any investments quoted, listed, or normally dealt in on any market shall be calculated by reference to the last traded price on the relevant Dealing Day or (if no last traded price is available) midway between the latest available market dealing offered price and the latest available market dealing bid price on the principal market on which such investments is quoted, listed or ordinarily dealt in and in determining such prices the Investment Manager in consultation with the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as the Investment Manager may from time to time determine notwithstanding that the prices so used are not the last traded prices;

(ii) subject as provided in paragraphs (iii) and (vi) below, the value of each unit, share or other interest in any Collective Investment Scheme which is valued as at the same day as the relevant sub-fund shall be the net asset value per unit or share in such Collective Investment Scheme as at that day or, if the Investment Manager so determines, or if such Collective Investment Scheme is not valued as at the same day as the sub-fund, the value of such interest shall be the last available net asset value per unit, share or other interest in such Collective Investment Scheme;

(iii) if no net asset value, bid and offer prices or price quotations are available as provided in paragraph (ii) above, the value of the relevant investment shall be determined from time to time in such manner as the Investment Manager shall determine;

(iv) the value of any investment which is not quoted, listed or ordinarily dealt in on a market shall be the initial value thereof equal to the amount expended out of the relevant sub-fund in the acquisition of such investment (including in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Investment Manager may at any time in consultation with the Trustee and shall at such times or at such intervals as the Investment Manager and the Trustee may agree, cause a revaluation to be made by a professional person agreed with the Trustee as qualified to value such investments;

(v) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Investment Manager, any adjustment should be made to reflect the fair market value thereof;

(vi) notwithstanding the foregoing, the Investment Manager may in consultation with the Trustee adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Investment Manager considers that such adjustment or use of such other method is required to reflect the fair value of the investment; and

(vii) the value of any investment (whether of a security or cash) otherwise than in the currency of the relevant sub-fund shall be converted into the currency of such sub-fund at the rate (whether official or otherwise) which the Investment Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.

Liabilities attributable to a sub-fund will include any government levies, taxation related to the income of the sub-fund, other fiscal charges, expenses of the Fund (e.g. any trustee's fee or management fee, custodian fee, legal and auditor's fee, valuation and other professional fees, transaction costs and the cost of setting up the Fund) which are attributable to the sub-fund, any outstanding borrowing and interest payable thereon. The Investment Manager, after consultation with the auditors of the sub-funds, may amortize any expense over such period not exceeding five years and may from time to time lengthen or shorten any such period of amortization.

In respect of a sub-fund, the issue and redemption prices of units of a class (whether they are denominated in base currency or non-base currency) of the sub-fund (exclusive of any initial charge or subscription fee) on a Dealing Day shall be determined by (i) calculating the net asset value of the relevant sub-fund in its base currency as at such Dealing Day before the deduction of any liabilities or the addition of any assets attributable specifically to the class of units in question; (ii) apportioning such net asset value amount between each class of units relating to such sub-fund by reference to the numbers of undivided shares in the relevant sub-fund represented by all units of each class of units relating to such sub-fund in issue; (iii) deducting or adding the liabilities and assets specifically attributable to the class of units in question from or to such apportioned amount; (iv) for each class of units, dividing the resulting sum in the base currency of the sub-fund by the number of units of the relevant class in issue immediately prior to the relevant Dealing Day for such class of units to obtain the price in the base currency of the sub-fund; and (v) for the non-base currency class of units only, converting such price to the non-base currency of such class based on an exchange rate which the Investment Manager shall deem appropriate in the circumstances having regard to (and applying) any premium or discount which may be relevant and to costs of exchange; and (vi) rounding the resulting price of the base currency units and non-base currency units to the 4th decimal place of the base currency or non-base currency (as the case may be) of the relevant sub-fund or such other number of decimal places as the Investment Manager may determine from time to time.

4.3 Suspension of Dealings, Valuation and Pricing

The Investment Manager may, in consultation with the Trustee and having regard to the best interests of the unitholders, suspend the dealings of the units of any sub-fund and the determination of the net asset value of any sub-fund in the following circumstances:

(i) there is a closure of or restriction or suspension of trading on any securities markets on which a substantial part of the investments of the relevant sub-fund is normally traded or a breakdown in any of the means normally employed by the Investment Manager or the Trustee (as the case may be) in determining the net asset value of a sub-fund or ascertaining the value of any investments comprised in a sub-fund. Sub-funds that are affected by any market suspension will generally not accept subscription, redemption or switching orders received after the occurrence of market suspension and not to process such orders on the same day;

(ii) for any other reason, the prices of investments in the sub-fund cannot, in the opinion of the Investment Manager, be reasonably, promptly and fairly ascertained;

(iii) in the opinion of the Investment Manager, it is not reasonably practicable or is prejudicial to the interest of the unitholders to realise any investments held in the sub-fund; or

(iv) the remittance or repatriation of funds which may be involved in the redemption of or in the payment for the investments in any sub-fund or the subscription for or redemption of any units is delayed or cannot, in the opinion of the Investment Manager, be effected at reasonable prices or reasonable rates of exchange.

The Investment Manager will notify the SFC immediately upon any suspension of dealings of units and the determination of the net asset value of any sub-fund, and shall publish a notice of suspension immediately following such suspension and at least once a month during the period of suspension on the website maintained by the Investment Manager for the sub-fund and/or in one leading Hong Kong English language and one Chinese language daily newspaper or through such other means as the Investment Manager considers appropriate and/or cause a notice to be given to unitholders and to all those (whether unitholders or not) whose applications to subscribe for or redeem units shall have been affected by such suspension stating that such declaration has been made.

No units in a sub-fund may be issued, redeemed, or switched during suspension of dealings of Units. The application for subscription, redemption (but only if the redemption of Units has not been effected on a Dealing Day prior to that suspension) or switching before the declaration of suspension may be withdrawn during the suspension. If the Investment Manager does not receive the withdrawal written request from the applicant during the suspension period, the subscription, redemption or switching will be processed on the first Dealing Day immediately after the termination of the suspension.

As soon as practicable after resumption of dealings and/or the determination of the net asset value of the sub-fund, the Investment Manager shall, having regard to the interests of unitholders, publish a notice of such resumption on the website maintained by the Investment Manager for the sub-fund and/or in one leading Hong Kong English language and one Chinese language daily newspaper or through such other means as the Investment Manager considers appropriate. The Investment Manager shall notify the SFC immediately upon such resumption.

5. DEALING

5.1 Initial issue of units

BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund

Provident Class – Class A (HKD) Units, Provident Class - Class B (HKD) Units, Investment Class (HKD) Units, Retail Class (HKD) Units, Retail Class (RMB) Units, Retail Class (USD) Units and Provident Administration Class (HKD) Units of BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund have been launched. The relevant initial offer periods for such launched classes of Units of such sub-funds have closed.

As at the date of this Principal Brochure, Provident Class - Class B (USD) Units and Investment Class (USD) Units of BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund have not yet been launched and thus are not offered for subscription by investors. Such classes of Units of BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund will be offered to investors at such time and initial issue price as may be determined by the Investment Manager.

BOC-Prudential MSCI MPF Golden Dragon Index Fund

Provident Class – Class A (HKD) Units of the BOC-Prudential MSCI MPF Golden Dragon Index Fund have been launched. The relevant initial offer period for such launched class of Units of the BOC-Prudential MSCI MPF Golden Dragon Index Fund has closed.

As at the date of this Principal Brochure, Provident Class – Class B (HKD) Units, Provident Class - Class B (USD) Units, Investment Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units, Retail Class (USD) Units and Retail Class (RMB) Units of BOC-Prudential MSCI MPF Golden Dragon Index Fund have not yet been launched and thus are not offered for subscription by investors. Such classes of Units of BOC-Prudential MSCI MPF Golden Dragon Index Fund will be offered to investors at such time and initial issue price as may be determined by the Investment Manager.

As at the date of this Principal Brochure, Provident Administration Class (HKD) Units of BOC-Prudential MSCI MPF Golden Dragon Index Fund have not yet been launched and thus are not offered for subscription. As and when such class of Units of BOC-Prudential MSCI MPF Golden Dragon Index Fund is launched (which shall be at such time and initial issue price as may be determined by the Investment Manager), it will be offered to the Relevant Eligible Schemes only.

BOC-Prudential S&P 500 Index Fund, BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund and BOC-Prudential MSCI Japan Index Fund

Provident Class – Class A (HKD) Units, Investment Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units, Retail Class (USD) Units and Provident Administration Class (HKD) Units of BOC-Prudential S&P 500 Index Fund, BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund and BOC-Prudential MSCI Japan Index Fund have been launched. The relevant initial offer periods for the above-mentioned launched classes of

Units of such sub-funds have closed.

As at the date of this Principal Brochure, the Provident Class - Class B (HKD) Units, Provident Class - Class B (USD) Units and Retail Class (RMB) Units of BOC-Prudential S&P 500 Index Fund, BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund and BOC-Prudential MSCI Japan Index Fund have not yet been launched and thus are not offered for subscription by investors. Such classes of Units of BOC-Prudential S&P 500 Index Fund, BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund and BOC-Prudential MSCI Japan Index Fund will be offered to investors at such time and initial issue price as may be determined by the Investment Manager.

BOC-Prudential FTSE MPF China A Index Fund

Provident Class – Class A (HKD) Units and Investment Class (HKD) Units of BOC-Prudential FTSE MPF China A Index Fund have been launched. The relevant initial offer period for such launched classes of Units of BOC-Prudential FTSE MPF China A Index Fund have closed.

As at the date of this Principal Brochure, Provident Class – Class B (HKD) Units, Provident Class - Class B (USD) Units, Provident Administration Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units, Retail Class (USD) Units and Retail Class (RMB) Units of BOC-Prudential FTSE MPF China A Index Fund have not yet been launched and thus are not offered for subscription by investors. Such classes of Units of BOC-Prudential FTSE MPFA China A Index Fund will be offered to investors at such time and initial issue price as may be determined by the Investment Manager.

New launch of class of units or sub-fund

Any class of units that has not yet been launched may be offered by the Investment Manager to investors at such time and initial issue price as may be determined by the Investment Manager. The initial offer periods for any new class(es) of units or new sub-fund(s) (as the case may be) to be launched will be set out in an addendum or the term sheet of the relevant new sub-fund(s).

Where Provident Class - Class B (USD) Units, Investment Class (USD) Units and Retail Class (USD) Units of a relevant sub-fund are available and to be launched, such units will be offered at the issue price of "USD issue price" per Provident Class - Class B (USD) Unit, Investment Class (USD) Unit or Retail Class (USD) Unit (as the case may be) of the relevant sub-fund (exclusive of any initial charge and subscription fee).

"USD issue price" shall be the issue price of Provident Class - Class B (HKD) Units, Investment Class (HKD) Units or Retail Class (HKD) Units (as the case may be) of the relevant sub-fund (exclusive of any initial charges and subscription fee) as at the end of the relevant initial period multiplied by the foreign exchange rate quoted by WM/Reuters as at 4:00 p.m. (London time) on the date on which the relevant initial period ends, provided that the Investment Manager may at its discretion determine applying such other foreign exchange rate published by other agency and/or using such other cut-off time for determining the foreign exchange rate.

Where Retail Class (RMB) Units of a relevant sub-fund are available and to be launched, such units will be offered at the issue price of "RMB issue price" per Retail Class (RMB) Unit of the relevant sub-fund (exclusive of any initial charge and subscription fee).

"RMB issue price" shall be the issue price of Retail Class (HKD) Units of the relevant sub-fund (exclusive of any initial charges and subscription fee) as at the end of the relevant initial period multiplied by the foreign exchange rate quoted by WM/Reuters as at 4:00 p.m. (London time) on the date on which the relevant initial period ends, provided that the Investment Manager may at its discretion determine applying such other foreign exchange rate published by other agency and/or using such other cut-off time for determining the foreign exchange rate.

In respect of applications in writing (including by facsimile) received by the Investment Manager or its authorized agent prior to 5:00 p.m. (Hong Kong time) on the last day of the relevant initial offer period, units will be issued on the close of the relevant initial offer period.

Applications for subscription of units may also be placed through other authorized fund distributors or through other authorized means as may from time to time specified by the Investment Manager in the Investment Manager's webpage (www.boci-pru.com.hk). This website has not been reviewed by the SFC. Applicants should note that applications made through such means may involve different dealing procedures, such as earlier application or payment cut-off time. As such, applicants who intend to subscribe units through fund distributors other than the Investment Manager or place subscription orders through other authorized means should consult the relevant fund distributor or the Investment Manager to find out the dealing procedures that are applicable to them.

If no application is received during the relevant initial offer period of the relevant sub-fund(s), the Investment Manager may determine in its absolute discretion that the initial offer period be extended to such date and time as the Investment Manager thinks fit.

Dealing of units will commence on the Dealing Day immediately following the closure of the relevant initial offer period.

The initial charge will be retained by the Investment Manager for its own use and benefit. In respect of the Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and Retail Class Units, the Investment Manager may levy an initial charge of up to 5% of the subscription monies. Initial charge for Provident Administration Class Units is currently waived. No initial charge will be levied on the issue of the Provident Class – Class A Units. In respect of each subscription lodged for the Retail Class Units, an additional subscription fee of US$5 may be payable by the unitholder. Such subscription fee is payable to the Trustee for its own benefits. This subscription fee is currently waived for the Retail Class Units. No subscription fee will be levied on the issue of Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units and Investment Class Units. Further details of initial charges are set out in section "6.1 Fees and Charges" on page 74 below.

The Investment Manager may exercise its discretion not to issue any units of a sub-fund during the initial offer period if the size of that sub-fund (with the total subscription of all classes combined) is less than HK$50 million as at the closing date of the initial offer period.

If the Investment Manager exercises such discretion, it will notify applicants in writing within three (3) Business Days of such closing date and the subscription monies paid by the applicants will be returned at their risk in Hong Kong dollars (or, at the sole discretion of the Investment Manager, in the currency in which the subscription monies were received) within seven (7) Business Days after the expiry of the initial offer period. No

interest will be paid on such subscription monies and any benefit will be retained by the Investment Manager.

5.2 Subsequent Issue of Units and Issue Price

After the relevant initial offer period, applications in writing (including by facsimile) received by the Investment Manager or its authorized agent prior to 5:00 p.m. (Hong Kong time) on a Dealing Day will be dealt with, and units will be issued, on that Dealing Day. Where applications in writing (including by facsimile) are received after such time or on a day which is not a Dealing Day, they will be carried forward and dealt with on the next Dealing Day.

The issue price (exclusive of any initial charge and subscription fee) of units of the relevant class of a sub-fund on a Dealing Day will be calculated by reference to the net asset value per unit of such class of that sub-fund as at that Dealing Day (for further details, see "Valuation of Units" on pages 54 to 56 above).

The issue price will be rounded down to the nearest 4 decimal places or in such other manner as the Investment Manager may from time to time determine. The total application monies required will be the aggregate of (i) the issue price multiplied by the number of units applied for; (ii) any initial charge which may be levied by the Investment Manager; and (iii) any subscription fee (if applicable) which may be levied by the Trustee.

Units may not be issued by the Investment Manager when the valuation and dealing of the units in the relevant sub-fund are suspended.

5.3 Minimum Investment and Subsequent Holding

For the Investment Class Units of each sub-fund, the minimum investment and subsequent holding of the relevant class of units must not be less than HK$5,000,000 (or its equivalent amount in the currency in which the units are denominated) or any other amount as may be agreed between the Trustee and the Investment Manager.

For the Retail Class Units of each sub-fund, the minimum investment and subsequent holding of the relevant class of units must not, unless otherwise allowed under section "5.12 Regular Fund Investment Plan (Only Applicable to Retail Class)" on page 72 of this Principal Brochure, be less than HK$5,000 (or its equivalent amount in the currency in which the units are denominated) or any other amount as may be agreed between the Trustee and the Investment Manager.

There is no minimum investment and subsequent holding requirement for the Provident Class Units and Provident Administration Class Units.

However, the Investment Manager reserves the right to waive the minimum subscription or minimum holding requirements for any Unitholder.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activities under Part V of the Securities and Futures Ordinance.

5.4 Application Procedure

Except otherwise specified by the Investment Manager, applications for units must be made by completing the relevant application form(s) and any other relevant application document(s) and submitting the same to the Investment Manager in person, sending them by post or by facsimile or other means from time to time determined by the Investment Manager (unless the original of any relevant application document is required by the Investment Manager)

Investors/ unitholders should be reminded that if they choose to send the relevant application form(s) or other relevant application document(s) by facsimile or any other means without submitting the original, they bear their own risk of the requests not being received or repeatedly received or being illegible. None of the Investment Manager, the Trustee and/or their respective agents shall be responsible to an investor/ unitholder for any loss resulting from non-receipt or duplicate receipt or illegibility of any relevant application documents sent by facsimile or any other means without submitting the original.

Applications for subscription of units (other than Provident Administration Class Units) may also be placed through other authorized fund distributors or through other authorized means as may from time to time specified by the Investment Manager in the Investment Manager's webpage (www.boci-pru.com.hk) (where applicable). This website has not been reviewed by the SFC. Applicants should note that applications made through such means may involve different dealing procedures, such as earlier application or payment cut-off time. As such, applicants who intend to subscribe units through fund distributors other than the Investment Manager or place subscription orders through other authorized means should consult the relevant fund distributor or the Investment Manager to find out the dealing procedures that are applicable to them.

Payments for units and any applicable initial charge may be made by cheque, payable to "BOCI-Prudential Asset Management Ltd-Client A/C-UTD" and crossed "A/C Payee Only, Not Negotiable" or by telegraphic transfer or bank transfer net of all bank charges (i.e. at the expense of the applicant). Payment by cheque is likely to cause delay in receipt of cleared funds and an application will not be accepted and units will not be issued until the cheque is cleared. Any costs of transfer of application monies to the sub-funds will be payable by the applicant.

The account details are as follows:

Name: Bank of China (Hong Kong) Limited
Address: Bank of China Tower, 1 Garden Road, Hong Kong
Account: BOCI-Prudential Asset Management Ltd-Client A/C-UTD
A/C Numbers

- Provident Class – Class A (HKD) Units, Provident Class - Class B (HKD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units and Retail Class (HKD) Units of each relevant sub-fund: 012-875-0-044596-0

- Provident Class - Class B (USD) Units, Investment Class (USD) Units, Retail Class (USD) Units and Retail Class (RMB) Units of each relevant sub-fund: 012-875-9-251458-0

Investors should note the payment procedures as described below:

Payment for units shall be due (i) prior to the close of the relevant initial offer period (for subscriptions during the relevant initial offer period); or (ii) upon issue of units (for subsequent issue). If cleared fund is not received on the relevant due date, the Investment Manager may, without prejudice to any claim against the applicant in respect of the failure to make payment when due, determine in its discretion that the application be cancelled. In such circumstances, the relevant units shall be deemed never to be issued.

In addition to other restrictions set out in the Principal Brochure, no redemption or switching transactions may be effected until the initial subscription has been completed.

Subscription monies for Provident Class - Class A (HKD) Units, Provident Class - Class B (HKD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units and Retail Class (HKD) Units of each relevant sub-fund should be paid in HK dollars.

Subscription monies for Provident Class - Class B (USD) Units, Investment Class (USD) Units and Retail Class (USD) Units of each relevant sub-fund must be paid in U.S. dollars.

Subscription monies for Retail Class (RMB) Units of each relevant sub-fund must be paid in RMB.

Notwithstanding the above, any contribution to the Regular Fund Investment Plan must be paid in Hong Kong dollars.

The Investment Manager reserves the right to accept payment in other currencies from any unitholder, in which case, the number of units to be issued shall be calculated based on an exchange rate reasonably determined by the Investment Manager and the Trustee. Any exchange rate risk and costs of conversion will be borne by the unitholder concerned and the unitholder may be required to pay a handling fee.

Third party cheques and cash are not accepted.

Investors should note that for payment by telegraphic or bank transfer in the currency in which the particular class of units being subscribed for is denominated to be received for value on a particular day, payment must be made for value in Hong Kong at least one (1) Hong Kong business day preceding such day.

General

Units issued by the Fund will be held for investors in registered form. Certificates will not be issued. A contract note will be issued upon acceptance of an investor’s application and will be forwarded by ordinary post (at the risk of the person entitled thereto). A contract note may also be provided by other electronic medium provided that the relevant unitholder has consented to the use of such means and operational safeguards that ensure adequate notice and access being given to the unitholders in the provision of the contract note have been put in place.

Fractions of not less than ten-thousandth of a unit may be issued. Smaller fractions will be retained for the benefit of the relevant sub-fund.

The Investment Manager has an absolute discretion to accept or reject in whole or in part any application for units. In the event that an application is rejected, application monies will be returned without interest by cheque via post at the risk of the person(s) entitled thereto or through bank transfer. Without limiting the generality of the foregoing, the Investment Manager may reject any application for subscription, redemption or switching where insufficient information is being provided or in case there is any error or omission in the information provided. No units of a sub-fund will be issued where the determination of the net asset value of that sub-fund is suspended (for further details see section "4.3 Suspension of Dealings, Valuation and Pricing" on pages 56 to 57 above).

5.5 Redemption of Units and Redemption Price

The price at which units of a relevant class are redeemed on a Dealing Day will be calculated as follows:

$$R = NAV(100\% - D)$$

where:

R = redemption price;

NAV = net asset value per unit of the relevant class to be redeemed on that Dealing Day;

D = redemption charge applicable to such class of units, expressed as a percentage of the NAV.

The redemption price will be rounded down to the nearest 4 decimal places, or in such other manner as the Investment Manager may determine from time to time. The total redemption moneys will be the redemption price multiplied by the number of units redeemed, rounded to 2 decimal places or in such other manner as the Investment Manager may determine. In respect of each redemption request of the Retail Class Units, a redemption fee of a maximum of US$5 may be deducted from the redemption proceeds. Such redemption fee is payable to the Trustee for its own benefits. This redemption fee is currently waived for the Retail Class Units. No redemption fee will be levied on the redemption of Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units and Investment Class Units.

In respect of the Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and the Retail Class Units, the maximum redemption charge that can be levied on the redemption of units is 1.5% of the net asset value per unit of the units to be redeemed. The redemption charge will be retained by the Investment Manager for its own use and benefit. The Investment Manager currently waives the redemption charge for the Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and Retail Class Units.

No redemption charge will be levied in the redemption of Provident Class– Class A Units.

Further details of applicable redemption fees/charges are set out in section "6.1 Fees and Charges" on pages 74 and 76 below.

A redemption request must be submitted to the Investment Manager in person, sending it by post or by facsimile or through other authorized means as may from time to time specified by the Investment Manager (unless the original is required by the Investment Manager) and must specify:

(a) the name of the relevant sub-fund;

(b) the class and number of units or the amount of monies to be redeemed;

(c) the name(s) of the registered holder(s); and

(d) payment instructions for the redemption proceeds.

Investors/ unitholders should be reminded that if they choose to send redemption requests by facsimile or any other means without submitting the original, they bear their own risk of the requests not being received or repeatedly received or being illegible. None of the Investment Manager, the Trustee and/or their respective agents shall be responsible to an investor/ unitholder for any loss resulting from non-receipt or duplicate receipt or illegibility of any redemption request sent by facsimile or any other means without submitting the original.

Redemption requests in writing (including by facsimile) received by the Investment Manager prior to 5:00 p.m. (Hong Kong time) on a Dealing Day will be dealt with on that Dealing Day. Redemption requests received by the Investment Manager after such time or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Application for redemption of units (other than Provident Administration Classes of Units) may also be placed through other authorized fund distributors or made through other authorized means as may from time to time specified by the Investment Manager in the Investment Manager's webpage (www.boci-pru.com.hk) (where applicable). This website has not been reviewed by the SFC. Unitholders should note that applications made through such means may involve different dealing procedures, such as earlier cut-off time. As such, unitholders who intend to redeem units through fund distributors other than the Investment Manager or place redemption orders through other authorized means should consult the relevant fund distributor or the Investment Manager to find out the dealing procedures that are applicable to them.

With the approval of the Trustee, the Investment Manager may also limit the total number of units in a sub-fund to be redeemed on any Dealing Day to 10% of the total number of units in issue (disregarding the number of Units to be issued on such Dealing Day). This limitation shall apply pro-rata to all unitholders who require redemption to be effected on the relevant Dealing Day. Any units not redeemed will be carried forward for redemption on the next following Dealing Day subject to the same 10% limitation.

Every application for units or request for redemption must be submitted to the Investment Manager or its authorised agents in the prescribed form.

Unitholders are not allowed to realise any units prior to the date falling seven days after the Dealing Day on which such unit was acquired by such unitholders or if earlier, the date of receipt of payment in cleared funds for such unit.

5.6 Payment upon redemption

Except otherwise waived by the Investment Manager, redemption proceeds will not be paid to any redeeming unitholder until (a) the redemption request duly signed by the unitholder has been submitted in person, sent by post or by facsimile or other means from time to time determined by the Investment Manager (unless the original is required by the Investment Manager) and received by or on behalf of the Investment Manager and (b) where the Trustee so requires, the signature of the unitholder (or each joint unitholder) has been verified to the satisfaction of the Trustee.

Investors/ unitholders should be reminded that if they choose to send redemption requests by facsimile or any other means without submitting the original, they bear their own risk of the requests not being received or repeatedly received or being illegible. None of the Investment Manager, the Trustee and/or their respective agents shall be responsible to an investor/ unitholder for any loss resulting from non-receipt or duplicate receipt or illegibility of any redemption request sent by facsimile or any other means without submitting the original.

Redemption proceeds of Provident Class - Class A (HKD) Units, Provident Class - Class B (HKD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units and Retail Class (HKD) Units will normally be paid in Hong Kong dollars.

Redemption proceeds of Provident Class - Class B (USD) Units, Investment Class (USD) Units and Retail Class (USD) Units will normally be paid in U.S. dollars.

Redemption proceeds of Retail Class (RMB) Units will normally be paid in RMB. However, due to the exchange controls and restrictions applicable to RMB, the Investment Manager may not be able to get sufficient amounts of RMB in a timely manner to meet redemption requests of this class of Units if all or a substantial portion of its underlying investments are non-RMB denominated. Therefore, even if the Investment Manager aims to pay redemption proceeds to investors of such class of Units in RMB, investors may not receive RMB upon redemption of their investment in RMB. There is also a risk that payment of redemption proceeds in RMB may be delayed when there is insufficient RMB for currency conversion for settlement of the redemption proceeds.

A request for redemption once given cannot be revoked without the consent of the Investment Manager.

Unitholders may, however, request the proceeds to be paid in other currencies, in which case, the proceeds will be converted to the requested currency at the prevailing exchange rate. Any exchange rate risk will be borne by the unitholder concerned and the unitholder may be required to pay a handling fee.

Subject as mentioned above and so long as relevant account details have been provided, redemption proceeds will be paid by telegraphic transfer or bank transfer (less the cost of effecting such telegraphic transfer or bank transfer) or other method as agreed by the Trustee, normally within 5 Business Days after the relevant Dealing Day and in any event will normally be paid within one calendar month of the relevant Dealing Day (unless payment of redemption proceeds has been suspended – see section "4.3 Suspension of Dealings, Valuation and Pricing" on pages 56 to 57) or, if later, after duly completed redemption documentation which may be submitted in person, sent by post or by facsimile or other means from time to time determined by the Investment Manager (unless the original is required by the Investment Manager) and has been received by the Investment Manager, unless such requirement is waived by the Investment Manager. Request by the redeeming unitholder to make the payment to a third party will not be accepted unless approval is obtained from the Investment Manager or additional supporting documents as may be required by the Investment Manager or the Trustee are provided or the relevant requirement is waived by the Investment Manager, unless such requirement is waived by the Investment Manager. Where a redemption request provides for the redemption proceeds to be paid to any person other than the registered unitholder(s) or to be paid by telegraphic transfer or bank transfer to a bank account in Hong Kong, the signature of the unitholder or (in the case of joint unitholders) each unitholder on that redemption request must be verified to the satisfaction of the Trustee. If relevant account details are not provided, redemption proceeds will be paid to the redeeming unitholder (or to all unitholders in case of joint unitholders) at the unitholder's risk by cheque in Hong Kong dollars. In the case of joint unitholders, the cheque will be drawn in the names of all unitholders. Bank charges (if any) incurred in making payment will be borne by the redeeming unitholder and accordingly will be deducted from the redemption proceeds.

5.7 Payment of Redemption Proceeds by Distribution in Specie

Notwithstanding the above, the Investment Manager has discretion to effect a redemption payment to any or all redeeming Unitholders in specie or in kind rather than in cash upon the prior consent of the relevant redeeming Unitholders. The circumstances in which the Investment Manager envisages exercising this discretion include, without prejudice to the generality of the foregoing, a situation where substantial redemption requests are received by the relevant sub-fund which will make it impracticable to realise the underlying securities in order to fund the redemption payments. In making redemption payments in specie or in kind, the Investment Manager will use the same valuation procedures used in determining the net asset value of the sub-fund (for further details, see section "4.2 Valuation of Units" on pages 54 to 56) when determining the value to be attributed to the relevant securities to be transferred or assigned or otherwise made available to the redeeming unitholders. Redeeming unitholders will receive securities of a value equal to the redemption payment to which they would otherwise be entitled. Redeeming unitholders receiving the redemption payment in specie or in kind will be responsible for all custody and other costs involved in changing the ownership of the relevant securities from the sub-fund to the redeeming unitholder and for all ongoing custody costs in respect of such securities.

5.8 Restrictions on Redemption

The Investment Manager may suspend the right of the unitholders to request for the redemption of units of any class and/or may delay the payment of any moneys in respect of any such redemption during any periods in which the determination of the net asset value of the relevant sub-fund of such class of units is suspended. Where the market(s) in which a substantial portion of the investments of the relevant sub-fund is made is subject to legal or regulatory restrictions (such as exchange control regulations which may be in force at the time) rendering the payment of redemption proceeds not practicable, payment of redemption proceeds may be delayed accordingly. For further details, please see section "4.3 Suspension of Dealings, Valuation and Pricing" on pages 56 to 57).

With a view to protecting the interests of unitholders, the Investment 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 Investment Manager or by cancellation by the Trustee) to 10% of the latest available net asset value of such sub-fund. In this event, the limitation will apply pro rata so that all unitholders wishing to redeem units in that sub-fund on that Dealing

Day will redeem the same proportion by value of such units, and units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, on the next Dealing Day and the redemption price (exclusive of any redemption charge) will then be determined by reference to the net asset value per unit on such next Dealing Day.

For the Investment Class Units of each sub-fund, no unitholder may redeem his units if such redemption would result in his holding of the relevant class of units after such redemption being less than HK$5,000,000 (or its equivalent amount in the currency in which the units are denominated) or any other amount as may be agreed between the Trustee and the Investment Manager.

For the Retail Class Units of each sub-fund, no unitholder may redeem his units if such redemption would result in his holding of the relevant class of units after such redemption being less than HK$5,000 (or its equivalent amount in the currency in which the units are denominated) or any other amount as may be agreed between the Trustee and the Investment Manager.

However, the Investment Manager reserves the right to waive such minimum holding and redemption requirements of the sub-funds for any unitholder.

Furthermore, unitholders are not allowed to realise any units prior to the date falling seven days after the Dealing Day on which such unit was acquired by such unitholders or if earlier, the date of receipt of payment in cleared funds for such unit.

5.9 Compulsory Redemptions under Certain Circumstances

The Investment Manager may compulsorily redeem a unitholder's units in any sub-fund (or any part thereof) upon reasonable notice as if the unitholder had requested the redemption of such units and close any accounts held by a unitholder for the unitholder's investments in the sub-fund(s) if:

(a) the unitholder is or becomes or is holding the units for the account of or benefit of (i) a US Person under Regulation S; or (ii) Reportable Person under FATCA (as defined in the "FATCA" sub-section); or (iii) any other Unqualified Person (as defined on page iv of the Principal Brochure);

(b) the unitholder refuses or fails to provide in a timely manner any information or documents or other assistance as reasonably requested by the Investment Manager (and where applicable, the Trustee) for the purpose of meeting any demands, disclosure or reporting requirements as may be required under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA and AEOI;

(c) the unitholder withdraws consent to the reporting or disclosure of any information or documents relating to the unitholder or the unitholder's investments as may be required under any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA and AEOI;

(d) it is, in the opinion of the Investment Manager, required for the purpose of complying with any applicable local or foreign laws and regulations issued by regulatory or governmental authorities of relevant jurisdiction, including but not limited to FATCA and AEOI.

The Investment Manager has a right to withhold, set-off or deduct reasonable amounts from the redemption proceeds, provided that: (i) such withholding, set-off or deduction is permitted by applicable laws and regulations; and (ii) the Investment Manager is acting in good faith and on reasonable grounds.

The Investment Manager will notify the Trustee and/or the other relevant service providers before any such redemption is made or any closing of account is done.

5.10 Liquidity Risk Management

Unitholders should be aware of the potential impact of the liquidity risk on the sub-funds. For details, please refer to risk factor headed "(l) Liquidity risk" under the sub-section headed "3.2 Risk Factors" above.

The Investment Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of each sub-fund and to ensure that the liquidity profile of the investments of each sub-fund will facilitate compliance with its obligation to meeting redemption requests. Such policy, combined with the liquidity risk management tools employed by the Fund, also seeks to achieve fair treatment of unitholders and safeguard the interests of remaining unitholders in case of sizeable redemptions.

The Investment Manager's liquidity management policy takes into account the investment strategy, liquidity profile, and redemption policy for each sub-fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by each sub-fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under sections 5.5 to 5.8 above, and will facilitate compliance with each sub-fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Investment Manager to manage the liquidity risk of each sub-fund under normal and exceptional market conditions.

In exceptional circumstances, procedures such as deferring payment of redemption proceeds (asset out in sub-section headed "5.6 Payment upon redemption" on pages 65 to 67 above), limiting the number of units to be redeemed and deferring the redemption (as set out in sub-section headed "5.8 Restrictions on Redemption" on pages 67 to 68 above), or applying in-specie or in-kind redemptions (as set out in sub-section headed "5.7 Payment of Redemption Proceeds by Distribution in Specie" on page 67 above) may be used. Investors should refer to the relevant sections mentioned above for further details as to when the tools may be used and their potential impacts.

5.11 Switching between classes of Units / sub-funds

Subject to the unitholder's fulfilment of eligibility requirements for the relevant class of units (as set out in sub-section headed "4.1 Classes of Units" above) and the consent of the Investment Manager, unitholders will have the right (subject to any suspension in the determination of the net asset value of any relevant sub-fund) to switch all or part of their units of any of the Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and Retail Class Units relating to a relevant sub-fund into units of the relevant same class or another available class (which may be denominated in a different currency) relating to the same sub-fund or another sub-fund by giving switching request (together with the relevant proof of eligibility as the Investment Manager may require from time to time) to the Investment Manager. In order to effect a switching, the unitholder should submit a switching request (together with the switching fee, where applicable as specified below) to the Investment Manager before the dealing deadline (as stated below) of the relevant Dealing Day.

Switching requests in writing (including by facsimile) received by the Investment Manager prior to 5:00 p.m. (Hong Kong time) on a Dealing Day will be dealt with on that Dealing Day. Switching requests received after such time or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

A switching request may be submitted in person, sent by post or by facsimile or other means from time to time determined by the Investment Manager (unless the original is required by the Investment Manager).

Investors/ unitholders should be reminded that if they choose to send switching requests by facsimile or any other means without submitting the original, they bear their own risk of the requests not being received or repeatedly received or being illegible. None of the Investment Manager, the Trustee and/or their respective agents are responsible to an investor/ unitholder for any loss resulting from non-receipt or duplicate receipt or illegibility of any request sent by facsimile or any other means without submitting the original.

Switching requests may also be placed through other authorized fund distributors or made through other authorized means as may from time to time specified by the Investment Manager in the Investment Manager's webpage (www.boci-pru.com.hk). This website has not been reviewed by the SFC. Applicants should note that applications made through such means may involve different dealing procedures, such as earlier application cut-off time. As such, applicants who intend to place switching requests through fund distributors other than the Investment Manager or place switching orders through other authorized means should consult the relevant fund distributor or the Investment Manager to find out the dealing procedures that are applicable to them.

The price at which the whole or any part of a holding of the Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units or Retail Class Units (as the case may be) relating to a relevant sub-fund (the "**Current Class**") will be switched on any Dealing Day into units of the same class or another class (which may be denominated in a different currency) relating to the same sub-fund or another sub-fund (the "**New Class**") will be determined by reference to the redemption price of the Current Class and issue price of the New Class on the relevant Dealing Day.

$$N = \frac{P - S}{M}$$

where

N - is the number of units of the New Class to be issued, such number shall be rounded down to 4 decimal places, or such other number of decimal places as the Investment Manager may determine from time to time;

P - is the redemption proceeds from the units of the Current Class of the sub-fund;

S - is the switching fee levied, such fee shall be expressed as a percentage of the redemption proceeds;

M - is the Issue Price per Unit of the New Class as at the relevant Dealing Day Provided That if the Dealing Day for the New Class is not the same as the Dealing Day for the Current Class, then M shall be the Issue Price per Unit of the New Class applicable on the first Dealing Day for the New Class immediately following the relevant Dealing Day.

In switching between different currency classes of units of a sub-fund, the Investment Manager will use such exchange rate (whether official or otherwise) which the Investment Manager shall deem appropriate in the circumstances having regard to (and applying) any premium or discount which may be relevant and to costs of exchange.

In respect of switching involving Investment Class Units or Retail Class Units and involving another sub-fund, the Investment Manager will currently levy a switching fee of 1% of the redemption proceeds for each switching request. The switching fee will be retained by the Investment Manager for its own use and benefit. No switching fee will be levied for switching involving Provident Class Units or Provident Administration Class Units and involving another sub-fund. In respect of switching of units from one class into units of same class which is denominated in a different currency or another class of units relating to the same sub-fund, switching fee will currently be waived.

The number of switching allowed in a year is currently unlimited.

Notwithstanding the preceding paragraph, subject to any regulatory approval, if required, the number of switching may be subject to a maximum number imposed by the Investment Manager with the approval of the Trustee from time to time.

As stated above, the Investment Manager may limit the total number of units in a sub-fund to be redeemed on any Dealing Day to 10% of the total number of units in issue.

No switching will be allowed during any period when the determination of the net asset value of any relevant sub-fund is suspended (for further details, see section "4.3 Suspension of Dealings, Valuation and Pricing" on pages 56 to 57). Unitholders should also note that, unless the Investment Manager agrees otherwise, the requirements on minimum investment and subsequent holding as set out in section "5.2 Subsequent Issue of Units and Issue Price" on page 61 and the restrictions on redemption (including the minimum holding requirement after redemption and the minimum redemption amount) as set out in section "5.5 Redemption of Units and Redemption Price" on pages 64 to 65 shall also be applicable in the case of switching.

5.12 Regular Fund Investment Plan (Only Applicable to Retail Class)

Investors of Retail Class Units may elect to participate in the Regular Fund Investment Plan offered by the Investment Manager. Under the Regular Fund Investment Plan, investors should make monthly contributions to his account on either the 5th and/or 20th of each month and the amount of each such contribution shall not be less than HK$1,000 (inclusive of any initial charge and subscription fee). No other currency will be accepted. Investors may also decide the period during which they want to participate in the plan in accordance with their own needs and financial planning and there is no minimum participating period prescribed for the plan. No fees will be levied on the opening and closure of the Regular Fund Investment Plan account.

An investor does not need to be an existing unitholder in order to participate in the Regular Fund Investment Plan. Contributions to the Regular Fund Investment Plan must be made through direct debit from such Hong Kong dollar account as may be designated by the unitholder. If an investor decides to participate in the Regular Fund Investment Plan, he must submit an application to the Investment Manager at least 21 days before the day on which the first contribution is proposed to be made and successfully arrange for the direct debit authorisation before the first contribution. Any application must be made in the format prescribed by the Investment Manager. If the 5th or 20th of the month is not a Business Day, the direct debit will be effected on the Business Day which immediately follows. If, as a result of the default of the investor, the direct debit cannot be effected successfully on the 5th and/or 20th (as the case may be) of a month or the Business Day which immediately follows (in the event that the 5th or 20th of the month is not a Business Day), no subscription will be accepted for that month under the Regular Fund Investment Plan. Furthermore, if as a result of the default of the investor, the direct debit cannot be effected successfully for 2 consecutive months, the Regular Fund Investment Plan will be suspended and no further contributions will be accepted under the plan until the investor submits a request to the Investment Manager to re-activate the plan and such request has been accepted by the Investment Manager.

Contributions made under the Regular Fund Investment Plan will be invested in units of the Retail Class of such sub-fund or sub-funds which the investors may from time to time decide provided that the investment in a sub-fund each time must not be less than HK$1,000 (inclusive of any applicable initial charge and subscription fee). Units will be issued to the unitholders as at the fifth Business Day after the day on which the direct debit is made.

Investors may switch their Retail Class Units of any sub-fund under the Regular Fund Investment Plan to the same class of units (which may be denominated in a different currency) in relation to another sub-fund in accordance with the provisions set out in section "5.11 Switching between classes of Units / sub-funds" on pages 69 to 71. There is no limit in the number of switching allowed in a year. The Investment Manager may also levy a switching fee upon switching of the units. The amount of switching fee is set out in section "6.1 Fees and Charges" on page 75.

Investors should note that unless the Investment Manager agrees otherwise, a 14 days prior written notice must be given to the Investment Manager for cessation of contributions in the Regular Fund Investment Plan and a 21 days prior written notice must be given to the Investment Manager for any amendment made to the Regular Fund Investment Plan.

6. FEES AND CHARGES

6.1 Fees and Charges

The fees and charges of the sub-funds can be summarised as follows.

Type of Charge	Payable to/for whose benefit	Payable by/from		Charges
1. Trustee fee	Trustee			
(i) Provident Class – Class A Units		the relevant class of units of the respective sub-fund		Current: 0.0875% of NAV per annum Maximum: 0.0875% of NAV per annum
(ii) Provident Class – Class B Units, Investment Class Units and Retail Class Units		the relevant class of units of the respective sub-fund		Current: 0.125% on the first HK$200 million of the NAV per annum; 0.10% on the next HK$200 million of the NAV per annum; 0.0875% on the remaining balance of the NAV per annum Maximum: 1% of NAV per annum
(iii) Provident Administration Class Units		the relevant class of units of the respective sub-fund		Current: 0.45% of NAV per annum Maximum: 1% of NAV per annum
2. Investment management fees	Investment Manager			
(i) Provident Class – Class A Units		the relevant class of units of the respective sub-fund		Nil

(ii) Provident Administration Class Units, Provident Class – Class B Units *(iii) Investment Class Units* *(iv) Retail Class Units*		the relevant class of units of the respective sub-fund the relevant class of units of the respective sub-fund the relevant class of units of the respective sub-fund		Current: 0.3525% of NAV per annum Maximum: 2% of NAV per annum Current: 0.50% of NAV per annum Maximum: 2% of NAV per annum Current: 0.65% of NAV per annum Maximum: 2% of NAV per annum
3. Initial charge *(i) Provident Class – Class A Units* *(ii) Provident Class – Class B Units, Investment Class Units and Retail Class Units* *(iii) Provident Administration Class Units*	Investment Manager		Unitholder Unitholder Unitholder	Nil Current: Up to 5% of the subscription monies Maximum: 5% of the subscription monies Current: currently waived Maximum: 5% of the subscription monies
4. Redemption charge *(i) Provident Class – Class A Units* *(ii) Provident Administration Class Units, Provident Class – Class B Units, Investment Class Units and Retail Class Units*	Investment Manager		Unitholder Unitholder	Nil Current: currently waived Maximum: 1.5% of the net asset value per unit

5. Switching Fee	Investment Manager			
(i) Switching involving Provident Class Units / Provident Administration Class Units and involving another sub-fund			Unitholder	Nil
(ii) Switching involving Investment Class Units / Retail Class Units and involving another sub-fund			Unitholder	Current: 1% of the redemption proceeds. Maximum: 5% of the redemption proceeds
(iii) Switching of units involving the same sub-fund			Unitholder	Current: currently waived Maximum: 5% of the redemption proceeds
6. Distribution processing fee	Trustee			
(i) Provident Class – Class A Units		the relevant class of units of the respective sub-fund		Nil
(ii) Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and Retail Class Units		the relevant class of units of the respective sub-fund		Current: currently waived Maximum: US$750 per distribution per class
7. Subscription Fee	Trustee			
(i) Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration			Unitholder	Nil

Class Units and Investment Class Units *(ii) Retail Class Units*			 Unitholder	 Current: currently waived Maximum: US$5 for each subscription
8. Redemption Fee *(i) Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units and Investment Class Units* *(ii) Retail Class Units*	Trustee		 Unitholder Unitholder	 Nil Current: currently waived Maximum: US$5 for each redemption
9. Investment Handling Fee	Trustee	the relevant class of units of the respective sub-fund		Current: Nil Maximum: 0.05% of the value of each transaction

The investment management fees and trustee fees at the rates mentioned above will be based on the relevant portion of the Net Asset Value of the relevant sub-fund attributable to the relevant class of Units on each Dealing Day and will be payable monthly in arrears and accrued on each Dealing Day. The initial charges and redemption charges included in the issue and redemption prices of the units and any switching fees levied in respect of switching of units will be retained by the Investment Manager as provided in Section 5.

In respect of the Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and Retail Class Units of a sub-fund, the Investment Manager may levy an initial charge of up to 5% of the subscription monies. The initial charge for Provident Administration Class Units is currently waived. No initial charge will be levied on the issue of the Provident Class – Class A Units. In respect of each subscription lodged for the Retail Class Units, an additional subscription fee of US$5 may be payable by the unitholder. Such subscription fee is payable to the Trustee for its own benefits. This subscription fee is currently waived for the Retail Class Units. No subscription fee will be levied on the issue of Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units and Investment Class Units.

In respect of the Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and the Retail Class Units, the maximum redemption charge that can be levied on the redemption of units is 1.5% of the net asset value per unit of the units to be redeemed. The redemption charge will be retained by the Investment Manager for its own use and benefit. The Investment Manager currently waives the redemption charge for the Provident Class – Class B Units, Provident Administration Class Units, Investment Class Units and Retail Class Units. No redemption charge will be levied in the redemption of Provident Class Units – Class A Units.

In respect of each redemption request of the Retail Class Units, a redemption fee of a maximum of US$5 may be deducted from the redemption proceeds. Such redemption fee is payable to the Trustee for its own benefits. This redemption fee is currently waived for the Retail Class Units. No redemption fee will be levied on the redemption of Provident Class – Class A Units, Provident Class – Class B Units, Provident Administration Class Units and Investment Class Units.

The Investment Manager may, at its own discretion, waive part or all of the fees to be received by the Investment Manager.

Each sub-fund will bear the costs and expenses incurred by the Investment Manager and the Trustee in establishing the sub-fund.

In addition, the Trustee may also deduct from the assets of the Fund an investment handling fee on each transaction effected by the Fund. Such investment handling fee is applicable to all classes of units of the Fund and will be payable to the Trustee at a rate up to 0.05% of the value of the transaction.

Each sub-fund will bear the costs and expenses set out in the Trust Deed which are directly attributable to it. Where such costs are not directly attributable to a sub-fund, each sub-fund will bear such costs in proportion to its respective net asset value or in such other manner as the Investment Manager shall consider appropriate. Such costs include but are not limited to the costs incurred in the establishment, structuring, management and administration of the Fund and its sub-funds, the costs of investing and realising the investments of the sub-funds, the fees and expenses of custodians and sub-custodians of the assets of the Fund, the fees and expenses of the auditors, valuation costs, legal fees, the costs incurred in connection with any listing or regulatory approval, the costs of holding meetings of unitholders and the costs incurred in the preparation and printing of any offering document, any audited accounts or interim reports which are sent to the unitholders.

In addition, each sub-fund will bear a due proportion of the costs and expenses incurred by the Investment Manager and the Trustee in establishing it and the Fund. The costs and expenses incurred in respect of the establishment of each sub-fund (except for BOC-Prudential FTSE MPF China A Index Fund) has been amortised over its first accounting period after consultation with the auditors. The costs and expenses incurred in respect of the establishment of BOC-Prudential FTSE MPF China A Index Fund is approximately HK$100,000 and will be amortised over its first accounting period after consultation with the auditors. The first accounting period of BOC-Prudential FTSE MPF China A Index Fund is from the close of its initial offer period to 31 March 2023.

In addition to the above, unitholders may be required to pay any requisite governmental tax, stamp duty, registration fee, custody and nominee charges as may be required in the purchase or sale of the units under the Fund.

The Trustee and the Investment Manager may increase the current levels of the above fees and charges by giving to the unitholders three (3) months' prior written notice (or such shorter period of notice as the SFC may approve, where applicable).

Subject to the approval of the SFC (where necessary) and the sanction of an Extraordinary Resolution of the unitholders of the relevant affected class, the maximum levels of the above fees and charges as illustrated in the fees and charges table above may be increased by giving a three months' notice in writing (or such shorter period of notice as the SFC may approve, where applicable) to the unitholders of the relevant affected class.

6.2 Potential Conflict of Interest, Transactions with Connected Persons and Soft Commission

The Investment Manager and the Trustee or their connected persons may, from time to time, act as manager, investment adviser, trustee or as custodian or in such other capacity in connection with or be otherwise involved in or with any other Collective Investment Schemes separate and distinct from the Fund and any sub-fund, including those that have similar investment objectives to those of the sub-funds, or contract with or enter into financial, banking or other transaction with one another or with any investor of a sub-fund, or any company or body any of whose shares or securities form part of a sub-fund or may be interested in any such contract or transaction and shall not be liable to account to the Fund or any sub-fund or any investor of the Fund or any sub-fund for any profit or benefit made or derived thereby or in connection therewith. It is, therefore, possible that any of the Investment Manager, the Trustee or their connected persons may, in the course of business, have potential conflicts of interest with any sub-fund.

Each of the Investment Manager, the Trustee or their connected persons will, at all times, have regard in such event to its obligations to the sub-funds and the investors and will endeavour to ensure that such conflicts are resolved fairly.

The Investment Manager has an established policy in relation to the identification and monitoring of potential conflicts of interest scenarios. There are functional separation of different areas of operations to control the flow of information that may be confidential and/or price sensitive. Computer and information system with appropriate access controls have been put in place by the Investment Manager. Key duties and functions are segregated among different departments. The Investment Manager has adopted trading policies which are designed to ensure the fair allocation of investment opportunities among funds, investment vehicles or accounts that the Investment Manager manages or advises. A designated risk management and portfolio control team and compliance team of the Investment Manager will monitor the implementation of such trading policies and dealing procedures with overall monitoring by the senior management of the Investment Manager.

The Trustee will keep and maintain proper books of accounts, records and documents for each fund or scheme under their trusteeship and segregate the assets of different funds or schemes. The Trustee will keep data and information in relation to the portfolio of each fund/scheme confidential.

The Investment Manager and the Trustee shall act in a reasonable and prudent manner when handling any potential conflict of interest situation and take into account the interest of unitholders and clients.

No person may be allowed to enter on behalf of the sub-fund into underwriting or sub-underwriting contracts without the prior consent of the Trustee and unless the sub-fund or the Investment Manager provides in writing that all commissions and fees payable to the Investment Manager under such contracts, and all investments acquired pursuant to such contracts, will form part of the sub-fund's assets.

If cash forming part of the sub-fund's assets is deposited with the Trustee, the Investment Manager, investment delegate or any of their connected persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the unitholders, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm’s length in accordance with ordinary and normal course of business.

All transactions carried out by or on behalf of each sub-fund will be at arm’s length the best interests of the unitholders. Any transactions between any sub-fund and the Investment Manager or any of its connected persons as principal may only be made with the prior written consent of the Trustee. All such transactions shall be disclosed in the Fund’s annual report.

Neither the Investment Manager, investment delegate nor any of their connected persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in the sub-fund’s property to the broker or dealer save that goods and services (soft dollars) may be retained if:

(a) the goods or services are of demonstrable benefit to the unitholders;

(b) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates;

(c) adequate prior disclosure has been made in this Principal Brochure the terms of which the unithholder has consented to;

(d) periodic disclosure is made in the sub-fund's annual report in the form of a statement describing the soft dollar policies and practices of the Investment Manager or investment delegate, including a description of the goods and services received by them; and

(e) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer.

Goods and services falling within paragraph (a) above may include: research and advisory services, economic and political analysis, portfolio analysis, (including valuation and performance measurement), market analysis, data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publication. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

In transacting with brokers or dealers connected to the Investment Manager, investment delegate, the Trustee or any of their connected persons, the Investment Manager, shall, save to the extent permitted under the UTMF Code or any waiver obtained from the SFC ensure that it complies with the following obligations:

(a) such transactions shall be on arm's length terms;

(b) it shall use due care in the selection of brokers or dealers and ensure that they are suitably qualified in the circumstances;

(c) transaction execution shall be consistent with applicable best execution standards;

(d) the fee or commission paid to any such broker or dealer in respect of a transaction shall not be greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

(e) the Investment Manager shall monitor such transactions to ensure compliance with its obligations; and

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such broker or dealer shall be disclosed in the relevant sub-fund's annual report.

7. GENERAL INFORMATION

7.1 General

The financial year end of the Fund is 31st March each year. Two reports will be published in each financial year. Annual reports and accounts (in both English and Chinese languages) will be published and distributed or made available to the unitholders within 4 months of the end of the financial year and interim reports (in both English and Chinese languages) will be published and distributed or made available to unitholders within 2 months of 30th September each year. As an alternative to the distribution of printed financial reports, unitholders may be notified of where such reports, in printed and electronic forms, can be obtained within the relevant time frame.

Any notices or documents required to be served upon, lodged with or given to a unitholder may be sent by post or delivered by hand or to the address of the unitholder. Such notices or documents may also be sent to the most recently available facsimile number of the unitholder or by electronic mail or by other means of communication provided that the relevant unitholder has consented to the use of such means of communication.

7.2 Publication of Net Asset Value per Unit

The net asset value per unit for each class of the sub-funds will be calculated and available on its website (www.boci-pru.com.hk) (this website has not been reviewed by the SFC) and/or published on each Dealing Day in South China Morning Post, Hong Kong Economic Journal, Hong Kong Economic Times or such other newspapers (one English language and one Chinese language) which the Investment Manager may from time to time determine and notify the unitholders. The net asset value per unit may also be made available free of charge by other means of dissemination as the Investment Manager may from time to time determine and notify the unitholders. The prices will be expressed exclusive of any initial charge or redemption charge which may be payable on subscription or redemption.

7.3 Documents for Inspection

Unitholders are advised to review the terms of the Trust Deed. Copies of the Trust Deed may be obtained from the Investment Manager at a reasonable cost as may be determined between the Investment Manager and the unitholder requesting such copies or may be inspected free of charge during normal working hours at the office of the Investment Manager.

(i) This Principal Brochure and any subsequent supplements to this Principal Brochure, (ii) notices to Unitholders, (iii) the latest annual and semi-annual reports of the Fund and the sub-fund(s) and (iv) authorized means for applications for subscription, redemption or switching are also available on the webpage of the Investment Manager: www.boci-pru.com.hk. This website has not been reviewed by the SFC.

7.4 Duration

The Fund will continue for a period of 80 years from the date of the Trust Deed or until it is terminated in one of the ways set out below.

(i) Subject to the prior approval of the SFC and in accordance with the Trust Deed, the Investment Manager or the Trustee (as the case may be) may terminate the Fund and/or any of its sub-funds if:-

   (a) at any time one year after the date hereof, the net asset value of the Fund falls below HK$50 million or, in relation to any sub-fund, the net asset value of the sub-fund falls below HK$10 million;

   (b) the Fund or any of its sub-fund ceases to be authorised or otherwise officially approved pursuant to the Securities and Futures Ordinance of Hong Kong;

   (c) if any law is passed which renders it illegal or in the opinion of the Investment Manager or the Trustee (with consent from either the Trustee or the Investment Manager) (as the case may be) impracticable or inadvisable to continue the Fund or any of its sub-fund.

   (d) the relevant underlying index of the relevant sub-fund is no longer available for benchmarking, unless the Investment Manager believes that it is possible, feasible, practicable and in the best interests of the unitholders to substitute another index for the underlying index; or

   (e) the Trustee or the Investment Manager (as the case may be) has notified the other party of its desire to retire from its office or the party shall be removed and the Investment Manager or the Trustee (as the case may be) shall be unable to find a qualified corporation to act as trustee or manager (as the case may be) in place of the Trustee or the Investment Manager (as the case may be) in accordance with the provision of the Trust Deed.

(ii) Subject to the prior approval of the SFC, unitholders of the relevant class or classes of a sub-fund may at any time terminate the sub-fund by extraordinary resolution.

Notice will be given to unitholders if the Fund/ or any of the sub-funds is terminated under the circumstances as provided in (i) above. Such notice will be submitted to the SFC for prior approval and will contain the reasons for the termination, alternatives available to unitholders and the expected costs involved.

7.5 Unclaimed Proceeds

Upon termination of the Fund, any unclaimed proceeds or other cash held by the Trustee under the provisions of the Trust Deed may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

7.6 Unit Certificate

No certificates will be issued unless the Investment Manager otherwise agrees. Each certificate shall bear a distinctive number and shall specify the number of units represented by the certificate and the name of the unitholder. Certificates shall be prepared by the Registrar and signed by an authorised signatory on behalf of the Trustee or in a manner authorised by the Trustee.

7.7 Hong Kong Taxation

Prospective unitholders should inform themselves of, and where appropriate take advice on, the taxes applicable to the acquisition, holding, switching and realisation of units by them under the laws of the places of his citizenship, residence and domicile. The tax consequences for each unitholder in respect of subscribing, holding, switching or redeeming units in the Fund may differ depending on the relevant laws of any jurisdiction to which the unitholder is subject. Investors and prospective investors should seek their own professional advice on relevant taxation laws apply to them, as well as to any other relevant laws and regulations.

Under existing legislation and practice in Hong Kong:

(a) dividends, interest and other income received by the Fund from Hong Kong or elsewhere are not liable to tax in Hong Kong;

(b) there is no tax in Hong Kong on capital gains made in Hong Kong or elsewhere and any revenue profits relating to dealings in securities, from futures contracts or foreign exchange contracts is exempted from Hong Kong profits tax;

(c) normally unitholders will not be taxed in Hong Kong on distributions from the Fund or on gains realised on the sale or realisation of units, but there may be exceptions. For example, if in the case of any unitholder, the acquisition and realisation of units is or forms part of a trade, profession or business carried on in Hong Kong, gains realised by that unitholder may attract Hong Kong profits tax.

7.8 Other Jurisdictional Taxes

Dividends and interest received by sub-funds of the Fund on its investments may be subject to withholding taxes in the countries of origin which are generally irrecoverable.

Investing in sub-funds of the Fund may have tax implications for a unitholder depending on the particular circumstances of each unitholder. Prospective investors are strongly urged to consult their own tax advisers and counsel with respect to the possible tax consequences to them of an investment in the units. Such tax consequences may differ in respect of different investors**.**

Taxation law and practice and the levels of tax relating to the Fund and to unitholders may change from time to time.

7.9 Enquiries and Complaints

Unitholders wishing to make an enquiry or a complaint about the Fund or any sub-fund(s) should contact the Investment Manager, BOCI-Prudential Asset Management Limited, at 27th Floor, Bank of China Tower, 1 Garden Road, Central, Hong Kong or call the Investment Manager's Investment Funds Services Hotline at (852) 2280 8615. Customer services officers of the Investment Manager shall address any enquiry or complaint about the Fund received as soon as reasonably practicable.

Information contained in the website of the Investment Manager has not been reviewed by the SFC.

APPENDIX

I. FTSE MPF North America Index (unhedged), FTSE MPF Europe Index (unhedged) and FTSE MPF China A Index

A1 The Indices

The FTSE MPF North America Index (unhedged), the FTSE MPF Europe Index (unhedged) and the FTSE MPF China A Index are net total return, free float-adjusted market capitalisation weighted indices. The FTSE MPF North America Index (unhedged), the FTSE MPF Europe Index (unhedged) and the FTSE MPF China A Index are indices launched by FTSE to meet the specific needs of the Hong Kong investment community under the FTSE MPF Index Series. The FTSE MPF Index Series was designed to be used as benchmarks for the measurement of the performance of equity portfolios managed under the Mandatory Provident Fund ("MPF") scheme by accurately reflecting MPF regulatory requirements, such as the MPF permitted investment markets, asset classes, and investment restrictions. The FTSE MPF Index Series was launched in 2001. The base date of the FTSE MPF North America Index (unhedged) and the FTSE MPF Europe Index (unhedged) is 30 November 2000. The base date of the FTSE MPF China A Index is 14 November 2014 and it was launched on 14 April 2021. The FTSE MPF Index Series is based on the FTSE All-World Index Series. The FTSE All-World Index Series was selected by Willis Towers Watson and the Hong Kong Investment Funds Association (HKIFA) as the base universe for a range of country and regional equity indices. Please refer to the FTSE Global Equity Index Series Ground Rules available from the index provider's website at www.ftserussell.com for more information on the FTSE All-World Index. This website has not been reviewed by the SFC.

The FTSE MPF Index Series is managed by FTSE. FTSE is responsible for undertaking the review of the Index Series and for approving changes to the constituents. FTSE may also approve changes to the ground rules for the management of the FTSE MPF Index Series (the "Ground Rules"), copies of which are available from the index provider's website at www.ftserussell.com. This website has not been reviewed by the SFC.

A2 Index Construction Methodology

The FTSE All-World Index Series are constructed using consistent methodology. Constituents (members) of the Indices are listed securities from eligible countries. The eligibility criteria mainly include permission for direct equity investment by non-nationals, and the availability of accurate and timely data. Equities listed on a stock exchange or recognized markets in the eligible countries are further screened according to capitalization, availability for trading, and liquidity. Each company will be assigned a nationality based normally on the country of incorporation. If the company is not listed in the country of incorporation, it will normally be allocated to the country with the greatest liquidity

Capitalization: The FTSE All-World Index Series are Indices for Large and Mid Cap companies. The size is determined based on ranking within each Index Universe by full market capitalization. The eligibility for inclusion and exclusion is defined as follows:

	Turnover Band (Based on the Index Universe)	
	Eligible for Inclusion	Eligible for Exclusion
Large Cap	top 68%	below 72%
Mid Cap	top 86%	below 92%

Availability (Free Float): For the index calculation, the market capitalization of a company will be adjusted by the percentage of shares in the hands of investors who are willing to trade. That is, shares which are not in the hands of investors who are willing to trade, such as locked-in shares held by promoters and governments, are excluded.

Except where the investable market capitalisation of the security exceeds 10 times the regional inclusion percentage level, securities with a free float of 5% or below are excluded from the index. Details on free float restrictions can be accessed at the index provider's website at www.ftserussell.com. This website has not been reviewed by the SFC.

Liquidity: A company will also be excluded from the Index if there is not enough trading activity (mainly measured by the median daily trade per month). Details on the liquidity screen can be accessed at the index provider's website at www.ftserussell.com. This website has not been reviewed by the SFC.

Index Calculation: After the aforementioned screening and adjustments, the Index is calculated as the sum of the adjusted market capitalization of eligible companies divided by a base. The base started as the sum of the adjusted market capitalization of eligible companies on the base date of the Index. It is, however, continuously adjusted for various changes due to right issue, capital repayment, changes in constituents, etc. While not exactly identical, this is similar to the weighted average of the indices for the individual companies using the base of each company as the weight. As a result, the price movement of a larger company (say, representing five per cent of the value of the index) will have a larger effect on the index than a smaller company (say, representing one per cent of the value of the index). Note that the size of the company is based on the *adjusted* market capitalization.

A3 Eligible Securities of the FTSE MPF Index Series

As indicated above, the FTSE MPF North America Index, the FTSE MPF Europe Index and the FTSE MPF China A Index are calculated using the same methodology as the other FTSE All-World Index Series. The main difference is in the constituents of the indices. The constituents of these indices are constituents of the FTSE All-World Index subjecting to geographical screening and MPF regulation screening as illustrated by the below paragraphs. The investability weighting of A shares follows the same inclusion treatment for A shares in the FTSE All-World Index. Currently, 25% of each A share's investability weight is included for the FTSE MPF China A Index.

Geographical Screening: The FTSE All-World Index has all constituents of the FTSE All-World Index Series. From there, only North America companies listed in eligible segment on NASDAQ, New York Stock Exchange, CBOE, Toronto Stock Exchange and NEO Exchange are selected to form the list of constituents for the FTSE North America Index. Similarly, European companies are selected to form the list of constituents for the FTSE Europe Index and Chinese companies' A shares that trade in eligible segment on either the Shanghai or Shenzhen stock exchanges are selected to form the list of constituents for the FTSE China A Stock Connect Index.

As mentioned in the first paragraph of A2 above, nationality of companies are being assigned in accordance with FTSE's prescribed guidelines (which can be obtained from FTSE's website at www.ftserussell.com) (this website has not been reviewed by the SFC).

MPF Regulation Screening: The companies are further screened by MPFA eligibility. Stock Exchanges that are not approved by MPFA will be excluded from the calculation of the FTSE

MPF Index Series. The list of approved Stock Exchanges can be accessed through the MPFA webpage: https://www.mpfa.org.hk/en/info-center/laws-and-regulations/guidelines/iii_4. This website has not been reviewed by the SFC.

Fully-paid up shares listed on an approved Stock Exchange will be eligible for inclusion. All stapled securities, which represent an arrangement under which two or more securities are quoted jointly, will not be eligible for inclusion unless the securities themselves are permissible under section 8(1) of Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation. REITs will be eligible for inclusion provided they are authorised by the SFC or listed on an approved exchange in the countries of Australia, the United Kingdom or the United States of America. In addition, such REITs must meet all the other eligibility requirements of the Ground Rules. Specifically, certain mortgage REITs and timber REITs will be excluded to align with the MPFA definition of REITs under MPFA Guidelines III.2. Securities which are receipts or certificates entitling the holders to the economic benefits (which may or may not include voting rights) of ownership of the underlying shares of a single company will be eligible if (i) the receipts or certificates are fully paid up and do not require further or future payment, and (ii) the underlying shares of the company are fully-paid up, and (iii) both the receipts/certificates and the underlying shares of the company are listed on Approved Exchanges. Unit trusts, mutual funds, and any collective closed-end or open-end investment schemes will not be eligible for inclusion as they are not fully permissible under the MPF regulation. For details, please refer to the Ground Rules which is available from the index provider's website at www.ftserussell.com. This website has not been reviewed by the SFC.

After the screening for MPF regulation, the list of constituents from the FTSE North America Index is reduced to the list of constituents for the FTSE MPF North America Index. Similar, the list of constituents from the FTSE Europe Index is reduced to the list of constituents for the FTSE MPF Europe Index and the list of constituents from the FTSE China A Stock Connect Index is reduced to the list of constituents for the FTSE MPF China A Index.

A4 Periodic Review of Constituents

The FTSE MPF Index Series is usually reviewed semi-annually in March and September, on a region by region basis as part of the reviews of the FTSE All-World Index on the same dates, based on data after the close of business on the last business day of December and June.

Any constituent changes resulting from the semi-annual reviews are implemented after the close of business on the third Friday (i.e. effective on Monday) of March and September.

Initial public offerings (IPOs) from all regions (which failed to qualify as fast entrants) will be reviewed in June and December, besides being reviewed at semi-annual reviews. Any constituent changes resulting from the June and December reviews are implemented after the close of business on the third Friday (i.e. effective Monday) of June and December.

All FTSE MPF Indices are subject to a 9% capping so that no constituent accounts for more than 9% of the index on a monthly basis. This is in line with the UTMF Code. The constituents of the FTSE MPF Indices are capped monthly at 9% using prices adjusted for corporate actions as at the close of business on the second Friday each month. The capping is implemented after the close of business on the third Friday each month based on the constituents, shares in issue and free float on the next trading day following the third Friday each month.

A5 Changes to Constituent Companies

Removal

If a constituent ceases to be a constituent of the FTSE All-World Index it will be removed from the FTSE MPF Index Series. The removal will be concurrent with its removal from the FTSE All-World Index.

In addition, if a constituent becomes ineligible under the current or any new MPF regulations, it will be removed as soon as practical after giving users of the index sufficient notification of the changes before their implementation.

Additions

If a constituent is added to the FTSE All-World Index it will be included in the FTSE MPF Index Series if it passes the eligibility screening in section A3. The inclusion in the FTSE MPF Index Series will be concurrent with its inclusion in the FTSE All-World Index.

New Issues

All fast entries to the FTSE All-World Index will become members of the FTSE MPF Index Series if they pass the eligibility screening in section A3. The constituent will be added to the FTSE MPF Index Series concurrent with its inclusion in the FTSE All-World Index.

A6 List of Constituent Securities

FTSE MPF North America Index (unhedged) and FTSE MPF Europe Index (unhedged)

As at 29 September 2023, the FTSE MPF North America Index (unhedged) has a market capitalization of approximately USD 41,331.02 billion and the FTSE MPF Europe Index (unhedged) has a market capitalization of approximately USD 12,584.8 billion.

The list of constituent securities of the FTSE MPF North America Index (unhedged) and the FTSE MPF Europe Index (unhedged) with their respective weightings are available on the website of the index provider (https://www.ftserussell.com/analytics/factsheets/home/constituentsweights). This website has not been reviewed by the SFC. Investors should note that the list of constituent securities of the FTSE MPF North America Index (unhedged) and the FTSE MPF Europe Index (unhedged) may be updated from time to time.

FTSE MPF China A Index

As at 29 September 2023, the FTSE MPF China A Index consists of 932 constituent securities and has a total market capitalisation of approximately HK$ 2,997.37 billion.

The list of constituent securities of the FTSE MPF China A Index with their respective weightings are available on the website of the index provider (https://www.ftserussell.com/analytics/factsheets/home/constituentsweights). This website has not been reviewed by the SFC. Investors should note that the list of constituent securities of the FTSE MPF China A Index may be updated from time to time.

Investors may obtain the latest index information and other important news of the index from data vendors Reuters or Bloomberg. FTSE will issue monthly report which highlights the performance of the FTSE MPF Index Series over varying periods.

Investors may also obtain further information of the index rules from the website of the index provider at www.ftserussell.com. This website has not been reviewed by the SFC.

A7 About the Index Provider, FTSE

FTSE is a global leader in indexing and analytical solutions. FTSE calculates thousands of unique indices that measure and benchmark markets and asset classes in more than 80 countries around the world. FTSE indices are used extensively by market participants worldwide for investment analysis, performance measurement, asset allocation and portfolio hedging. Many leading pension funds, asset managers, ETF providers and investment banks work with FTSE to benchmark their investment performance and use FTSE's indices to create world-class ETFs, index tracking funds, structured products and index derivatives. FTSE also provides many exchanges around the world with their domestic indices.

A core set of universal principles guides FTSE's index design and management: FTSE's transparent rules-based methodology is overseen by independent committees of leading market participants, focused on applying the highest industry standards in index design and governance. The foundation of FTSE's global, regional, country and sector indices is the FTSE Global Equity Index Series, which includes the flagship FTSE All-World Index.

FTSE is well known for index innovation and customer partnerships as it seeks to continually enhance the breadth, depth and reach of its offering.

FTSE is wholly owned by London Stock Exchange Group.

FTSE is independent of the Investment Manager or its connected persons.

A8 Index Disclaimer

FTSE MPF North America Index (unhedged) and FTSE MPF Europe Index (unhedged)

BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund have been developed solely by BOCI-Prudential Asset Management Limited. BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund are not in any way connected to or sponsored, endorsed, sold or promoted by the London Stock Exchange Group plc and its group undertakings (collectively, the "LSE Group"). FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE MPF North America Index (unhedged) and the FTSE MPF Europe Index (unhedged) (the "Indices") vest in the relevant LSE Group company which owns the Indices. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license.

The Indices are calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Indices or (b) investment in or operation of BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from BOC-Prudential North America Index Fund and BOC-Prudential European Index Fund or the suitability of the Indices for the purpose to which it is being put by BOCI-Prudential Asset Management Limited.

FTSE MPF China A Index

BOC-Prudential FTSE MPF China A Index Fund has been developed solely by BOCI-Prudential Asset Management Limited. BOC-Prudential FTSE MPF China A Index Fund is not in any way connected to or sponsored, endorsed, sold or promoted by the LSE Group. FTSE Russell is a trading name of certain of the LSE Group companies.

All rights in the FTSE MPF China A Index (the "Index") vest in the relevant LSE Group company which owns the Index. "FTSE®" is a trade mark of the relevant LSE Group company and is used by any other LSE Group company under license.

The Index is calculated by or on behalf of FTSE International Limited or its affiliate, agent or partner. The LSE Group does not accept any liability whatsoever to any person arising out of (a) the use of, reliance on or any error in the Index or (b) investment in or operation of BOC-Prudential FTSE MPF China A Index Fund. The LSE Group makes no claim, prediction, warranty or representation either as to the results to be obtained from BOC-Prudential FTSE MPF China A Index Fund or the suitability of the Index for the purpose to which it is being put by BOCI-Prudential Asset Management Limited.

II. MSCI MPF Golden Dragon Index

A1 The Index

The MSCI MPF Golden Dragon Index is designed to comply with the Hong Kong MPF investment guidelines and to measure the performance of the large and mid cap securities of the Hong Kong listed Hong Kong and Chinese companies (H shares, red-chips and P-chips), the Hong Kong listing of HSBC, the Mainland China listed companies (A shares), foreign listed securities and kinds of securities approved by the MPFA listed on approved stock exchanges (including ADRs and GDRs) and companies listed in Taiwan, that are relevant for Hong Kong MPF investors.

The MSCI MPF Golden Dragon Index is a total return, free float-adjusted market capitalisation weighted index. It was launched on 25 July 2013 by MSCI and has a base date of 30 November 2000. Headquartered in New York, MSCI is one of the leading providers of investment decision support tools to investors globally, including asset managers, banks, hedge funds and pension funds. MSCI is independent of the Investment Manager or its connected persons.

The MSCI MPF Golden Dragon Index forms part of the MSCI Hong Kong MPF Indexes. Constructed based on the MSCI Global Investable Market Indexes (the "Parent Indexes"), the MSCI Hong Kong MPF Indexes take into account the investment restrictions on MPF set by MPFA (including the universe of permissible investments, the level of investment concentration and the requirement of maintaining a certain level of Hong Kong dollar exposure) and offer a pertinent benchmarking alternative for MPF compliant funds.

Below is the information about the index methodology of the MSCI Hong Kong MPF Indexes (including the MSCI MPF Golden Dragon Index). Such information is subject to revision from time to time by MSCI. Investors can refer to the website of MSCI (www.msci.com) for the latest version of the MSCI Hong Kong MPF Indexes Methodology. This website has not been reviewed by the SFC.

A2 Index construction

1.1 Security selection - defining the eligible universe

The MSCI Hong Kong MPF Indexes include only equity securities from approved stock exchanges by the MPFA. The eligible universe of the MSCI Hong Kong MPF Indexes includes all constituent securities of the underlying Parent Indexes with the following exceptions:

- The MSCI MPF Domestic Hong Kong Index is based on the MSCI Hong Kong Index plus the Hong Kong-listing of HSBC
- The MSCI MPF China Index is based on the MSCI China Free Index
- The MSCI MPF Hong Kong Index is a composite index made up of the MSCI MPF Domestic Hong Kong Index and the MSCI MPF China Index

A market investable equity universe of the Parent Indexes is derived by applying investability screens to individual companies and securities in the equity universe. The investability screens used to determine the market investable equity universe of the Parent Indexes are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalisation requirement;
- developed market and emerging market minimum liquidity requirement;
- minimum length of trading requirement;
- global minimum foreign inclusion factor requirement;
- minimum foreign room requirement; and
- financial reporting requirement.

(i) Equity universe minimum size requirement

The equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalisation a company must have to be a part of a market investable equity universe.

At the time of the August 2023 index review, the equity universe minimum size requirement was USD291 million for DM (developed market) and EM (emerging market). The equity universe minimum size requirement is reviewed and, if necessary revised, at index reviews.

The global minimum size range for each size-segment is determined by defining a global minimum size reference for large cap, standard, and investable market indexes, and specifying a range of 0.5 times to 1.15 times those references.

The global minimum size reference for the standard market size-segments are derived in a similar manner to the derivation of the equity universe minimum size as follows:

(a) First, the companies in the DM investable equity universe are sorted in descending order of full market capitalization and the cumulative free float-adjusted market capitalization coverage of the DM investable equity universe is calculated at each company.
(b) Then, the full market capitalizations of the companies that provide the following cumulative free float-adjusted market capitalization coverage of the DM investable equity universe are chosen:
    - DM standard index: 85% coverage
(c) For emerging markets, the global minimum size reference is set at one-half the corresponding level of full market capitalization used for the developed markets for each size-segment.

(ii) Equity universe minimum free float-adjusted market capitalisation requirement

The equity universe minimum float-adjusted market capitalisation requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalisation equal to or higher than 50% of the equity universe minimum size requirement.

(iii) Minimum liquidity requirement

The minimum liquidity requirement is applied at the individual security level. A security's liquidity is measured by:

- 12-month and 3-month annual traded value ratio ("ATVR"); and
- 3-month frequency of trading.

A minimum liquidity level of 20% of 3-month ATVR and 90% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 20% of 12-month ATVR are required for the inclusion of a security in a market investable equity universe of a developed market. This rule is referred to as the DM minimum liquidity requirement.

A minimum liquidity level of 15% of 3-month ATVR and 80% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 15% of 12-month ATVR are required for the inclusion of a security in a market investable equity universe of an emerging market. This rule is referred to as the EM minimum liquidity requirement.

(iv) Minimum length of trading requirement

The length of trading requirement is applied at the individual security level and is only applicable to small new issues in all markets. This requirement is the minimum period (three months) an individual security must have been trading before the implementation of an index review to be a part of a market investable equity universe. Large initial public offers ("IPOs") and large primary / secondary offerings of non index-constituents are not subject to this requirement, and may be included in a market investable equity universe outside of an index review.

(v) Global minimum foreign inclusion factor requirement

The foreign inclusion factor requirement is applied at the individual security level. The foreign inclusion factor of a security is defined as the proportion of shares outstanding that are available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company).

In general, a security must have a foreign inclusion factor equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe. Exceptions to this general rule are made only in the limited cases where the exclusion of securities of a very large company would compromise the index's ability to fully and fairly represent the characteristics of its underlying market.

(vi) Minimum foreign room requirement

This investability screen is applied at the individual security level. For a security that is subject to a foreign ownership limit to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15%.

In addition, for any MSCI Hong Kong MPF Index that has a United Kingdom component, the London listing of HSBC will be removed from the eligible universe. REITs are included only if they are listed in the stock exchanges approved by the MPFA for REITs.

1.2 Addressing concentration limit

In order to comply with the single issuer concentration limit, MSCI applies a capping of 10% on every company in the MSCI Hong Kong MPF Indexes. This capping is applied at the issuer level. However, a buffer of 10% will be applied to reduce the need of constant rebalancing and excessive index turnover. Specifically, at the point of the index initial construction, the weight of any single issuer is capped at 9% of the index weight. The excess weight of the capped issuer is then proportionally redistributed to other uncapped securities in the index.

1.3 Addressing the minimum 30% requirement of Hong Kong dollar currency exposure

The MSCI Hong Kong MPF Indexes comprise of the following three sub-index families: the MSCI MPF Domestic Indexes, the MSCI MPF Hedged Indexes, and the MSCI MPF Unhedged Indexes. Such Indexes are characterized by different index designs to address the 30% Hong Kong dollar currency exposure requirement. The MSCI MPF Golden Dragon Index is part of the MSCI MPF Domestic Indexes.

The MSCI MPF Domestic Indexes apply a floor to the weight of the HKD denominated component and do not involve any currency hedging. Specifically, in order to comply with the requirement of at least 30% Hong Kong dollar (HKD) currency exposure while applying a buffer to avoid excessive index turnover, a floor of 30% is applied to the weight of the HKD denominated MSCI MPF Hong Kong Index component.

A3 Index Maintenance

2.1 Quarterly index review

The MSCI Hong Kong MPF Indexes are rebalanced on a quarterly basis, nine (9) business days before the effective dates of the MSCI quarterly index reviews. The changes resulting from the rebalancing are also announced nine (9) business days before the effective dates of the MSCI index reviews and implemented as of the close of the last business day of each February, May, August and November, to coincide with the index reviews of their Parent Indexes.

2.2 Rebalancing due to non-compliance

MSCI Hong Kong MPF Indexes are reviewed for non-compliance on concentration limit and on Hong Kong dollar currency exposure on a daily basis. The MSCI MPF Indexes will be rebalanced in the event of non-compliance. The concentration constraint is considered to be breached when the weight of an issuer increases above 10%. The foreign currency exposure constraint is considered to be breached when the weight of the HKD denominated securities decreases below 30%.

The rebalancing will take place as of the close of the day when the index breaches any constraint, based on closing prices, such that the MSCI Hong Kong MPF Indexes will always be within the constraints before the opening of the following trading day.

In case the pro forma MSCI Hong Kong MPF Indexes become non-compliant between the announcement date and the effective date, the previously announced results will be discarded and a newly rebalanced pro forma index will be announced.

2.3 Additions and deletions due to corporate events

A security added to or deleted from the Parent Index following a corporate event will also be added to or deleted simultaneously from the MSCI Hong Kong MPF Indexes. In case of MSCI Hong Kong MPF Indexes where the concentration constraint and/or the local currency exposure constraint are triggered, additions are included with an estimated weight based on a rebalancing at the time of addition. The constraint applied on other index constituents is however not changed.

2.4 Maintenance of the MPFA investment restrictions

To ensure the MSCI Hong Kong MPF Indexes accurately reflect the MPF regulatory requirements, MSCI reviews the MPF investment restrictions twice a year coinciding with the May and November index reviews.

A4 Basic Information of the Index

As at 29 September 2023, the MSCI MPF Golden Dragon Index consists of 879 constituent securities and has a market capitalization of around USD 3,415.07 billion. The number of constituent securities may change from time to time.

As at 29 September 2023, approximately 9.76% of the constituent securities of the MSCI MPF Golden Dragon Index are listed on the SSE or the SZSE, approximately 60.52 % of the constituent securities are listed on the SEHK and approximately 24.36% of the constituent securities are listed on the Taiwan Stock Exchange. Approximately 0.39% of the constituent securities are REITs. The composition of the underlying index may change from time to time. The percentage of investment in equity securities listed on the SSE or the SZSE, the SEHK and the Taiwan Stock Exchange by the sub-fund depends on the percentage of Mainland China, Hong Kong and Taiwan constituent securities of the MSCI MPF Golden Dragon Index, which changes from time to time.

The list of constituent securities of the MSCI MPF Golden Dragon Index and with their respective weightings are available on the website of the index provider (https://www.msci.com/constituents/). This website has not been reviewed by the SFC. Investors should note that the list of constituent securities of the MSCI MPF Golden Dragon Index may be updated from time to time.

Investors may obtain the latest index information and other important news of the MSCI MPF Golden Dragon Index from data vendors (Reuters or Factset) or website of the index provider (www.msci.com). This website has not been reviewed by the SFC. MSCI will issue monthly report which highlights the performance of the MSCI MPF Golden Dragon Index over varying periods.

Investors may also obtain further information of the index methodology of the index from the website of the index provider at www.msci.com. This website has not been reviewed by the SFC.

The Investment Manager will consult the SFC on any events that may affect the acceptability of the MSCI MPF Golden Dragon Index and give a written notice to the unitholders of the sub-fund as soon as practicable on any significant events relating to the index. These may include a change in the methodology/rules for compiling or calculating the index, or a change in the objective or characteristics of the index.

A5 Index Disclaimer

BOC-Prudential MSCI MPF Golden Dragon Index Fund is not sponsored, endorsed, sold or promoted by MSCI Inc. ("MSCI"), any of its affiliates, any of its information providers or any other third party involved in, or related to compiling, computing or creating any MSCI Index (collectively, the "MSCI Parties"). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by the Investment Manager. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of the BOC-Prudential MSCI MPF Golden Dragon Index Fund or any other person or entity regarding the advisability of investing in the BOC-Prudential MSCI MPF Golden Dragon Index Fund particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks. Service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to the BOC-Prudential MSCI MPF Golden Dragon Index Fund or the issuer or owners of the BOC-Prudential MSCI MPF Golden Dragon Index Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of the BOC-Prudential MSCI MPF Golden Dragon Index Fund or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the BOC-Prudential MSCI MPF Golden Dragon Index Fund to be issued or in the determination or calculation of the equation by or the consideration into which the BOC-Prudential MSCI MPF Golden Dragon Index Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of the BOC-Prudential MSCI MPF Golden Dragon Index Fund or any other person or entity in connection with the administration, marketing or offering of the BOC-Prudential MSCI MPF Golden Dragon Index Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the BOC-Prudential MSCI MPF Golden Dragon Index Fund, owners of the BOC-Prudential MSCI MPF Golden Dragon Index Fund, or any other person or entity, from the use of any MSCI Index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

III. S&P 500® Index

A1 The Index

The S&P 500® Index comprises 500 large cap companies which are common equities primarily listed on the U.S. publicly traded stock market, and covers approximately 80% of available U.S. market capitalization. Stocks included in the Index are chosen with the aim of achieving a representative portfolio from the various components of the U.S. economy. A limited percentage of the Index may include non-U.S. securities traded on U.S. exchanges. Aggregate market value and trading activity are also considered in the selection process. While these stocks do not necessarily represent the 500 largest corporations in the U.S., the Index is recognized for its emphasis towards large stocks. Each stock in the Index is weighted by its market capitalization (its total market value relative to the total market values of all the securities in the Index). The S&P 500® Index forms part of the S&P Dow Jones U.S. indices.

The S&P 500® Index is a price return, free float market capitalization-weighted index and was launched on 4 March 1957. It is compiled and published by S&P Dow Jones Indices LLC. The Index tracked by BOC-Prudential S&P 500 Index Fund is denominated and quoted in Hong Kong dollars. The base date of the S&P 500® Index was from 1941 to 1943.

S&P Dow Jones Indices LLC ("SPDJI") is the index provider of the S&P 500® Index. SPDJI is independent of the Investment Manager or its connected persons.

A2 Index Methodology

Stocks that may be included in the S&P 500® Index are selected based on the following criteria:

Domicile: Only common stocks of U.S. companies are eligible.

Exchange listing: A primary listing on one of the following U.S. exchanges is required:
- NYSE
- NYSE Arca
- NYSE American
- NASDAQ Global Select Market
- NASDAQ Select Market
- NASDAQ Capital Market
- Cboe BZX
- Cboe BYX
- Cboe EDGA
- Cboe EDGX

Organizational structure and share type: The issuing company must have the following organizational structure and share type:
- Corporations (including equity and mortgage REITs)
- Common stock (i.e. shares)

Tracking stocks and multiple share classes: Except tracking stocks that are ineligible, all companies with multiple share class structures are eligible provided they meet all other eligibility criteria.

Market capitalization: In order to be eligible for addition to the Index, the stocks must have a total company-level market capitalization of USD14.5 billion or greater. Such eligibility market capitalization may be updated from time to time in the S&P Dow Jones Indices: S&P U.S. Indices Methodology. A company meeting the total company-level market capitalization criteria is also required to have a security level float-adjusted market capitalization of at least 50% of the Index's total company-level minimum market capitalization.

Liquidity: Stocks should have adequate liquidity and reasonable price. Using composite pricing and volume, the ratio of annual dollar value traded (defined as average closing price multiplied by historical volume) to float adjusted market capitalization should be at least 0.75, and the stock should trade a minimum of 250,000 shares in each of the six months leading up to the evaluation date. Current constituents have no minimum requirement.

Investable Weight Factor ("IWF"): An IWF of at least 0.10 is required.

Financial viability: Stocks where the sum of the most recent four consecutive quarters' as-reported earnings should be positive, as should the most recent quarter.

Initial Public Offering ("IPO"): IPOs should be traded on an eligible exchange for at least 12 months before being considered for addition to the Index.

The S&P 500® Index is calculated by means of the divisor methodology used in all S&P Dow Jones Indices' equity indices. Please refer to S&P Dow Jones Indices' Index Mathematics Methodology for more information on the index calculation methodology.

A3 Index Construction

Index universe: Index constituents are selected from the S&P Total Market Index.

Constituent selection: Constituent selection is at the discretion of the Index Committee and is based on the eligibility criteria above. The S&P 500® Index has a fixed constituent company count of 500. Sector balance, as measured by a comparison of each GICS sector's weight in an index with its weight in the S&P Total Market Index, in the relevant market capitalization range, is also considered in the selection of companies for the Index.

Weighting: The S&P 500® Index is weighted by float-adjusted market capitalization.

A4 Index Maintenance

4.1 Timing of changes

Changes to the S&P 500® Index are made on an as-needed basis. There is no scheduled reconstitution. Rather, changes in response to corporate actions and market developments can be made at any time. Index additions and deletions are announced with at least three business days advance notice. Less than three business days' notice may be given at the discretion of the Index Committee. Announcements are available to the public via SPDJI's website, www.spglobal.com/spdji/, before or at the same time they are available to clients or the affected companies. This website has not been reviewed by the SFC.

4.2 Deletions

Deletions may occur as follows:

- A company is deleted from the Index if it is involved in a merger, acquisition, or significant restructuring such that it no longer meets the eligibility criteria.
- A company that substantially violates one or more of the eligibility criteria above may be deleted from the Index at the Index Committee's discretion.

4.3 Share and IWF updates

For more information on standard treatment of share and IWF updates, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

4.4 **Corporate actions and rebalancing guidelines**

For information on corporate actions and rebalancing guidelines, please refer to S&P Dow Jones Indices' Equity Indices Policies & Practices Methodology.

4.5 **Other adjustments**

In cases where there is no achievable market price for a stock being deleted, it can be removed at a zero or minimal price at the Index Committee's discretion.

Investors can refer to the index methodology for further details (www.spglobal.com/spdji/en/documents/methodologies/methodology-sp-us- indices.pdf). This website has not been reviewed by the SFC.

A5 Basic Information of the Index

As at 29 September 2023, the S&P 500® Index consists of 503 constituent securities and has a total market capitalization of approximately USD 37,775.77 billion, based on total shares in issue of the index.

The list of constituent securities of the S&P 500® Index and with their respective weightings are available on the website of the index provider (https://supplemental.spindices.com/supplemental-data/hong-kong). This website has not been reviewed by the SFC. Investors should note that the list of constituent securities of S&P 500® Index may be updated from time to time.

Investors may obtain further information on the S&P 500® Index from the website of the index provider at www.spglobal.com/spdji/en. This website has not been reviewed by the SFC.

The Investment Manager will consult the SFC on any events that may affect the acceptability of the S&P 500® Index and give a written notice to the unitholders of the sub-fund as soon as practicable on any significant events relating to the index. These may include a change in the methodology/rules for compiling or calculating the index, or a change in the objective or characteristics of the index.

A6 Index Disclaimer

The S&P 500® Index is a product of S&P Dow Jones Indices LLC ("SPDJI"), and has been licensed for use by the Investment Manager. Standard & Poor's®, S&P® and S&P 500® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"); Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"); and these trademarks have been licensed for use by SPDJI and sublicensed for certain purposes by the Investment Manager.

BOC-Prudential S&P 500 Index Fund is not sponsored, endorsed, sold or promoted by SPDJI, Dow Jones, S&P, any of their respective affiliates (collectively, "S&P Dow Jones Indices"). S&P Dow Jones Indices makes no representation or warranty, express or implied, to the owners of the BOC-Prudential S&P 500 Index Fund or any member of the public regarding the advisability of investing in securities generally or in BOC-Prudential S&P 500 Index Fund particularly or the ability of the S&P 500® Index to track general market performance. S&P Dow Jones Indices' only relationship to the Investment Manager with respect to the S&P 500®

Index is the licensing of the Index and certain trademarks, service marks and/or trade names of S&P Dow Jones Indices or its licensors. The S&P 500® Index is determined, composed and calculated by S&P Dow Jones Indices without regard to the Investment Manager or the BOC-Prudential S&P 500 Index Fund. S&P Dow Jones Indices have no obligation to take the needs of the Investment Manager or the owners of BOC-Prudential S&P 500 Index Fund into consideration in determining, composing or calculating the S&P 500® Index. S&P Dow Jones Indices is not responsible for and has not participated in the determination of the prices, and amount of BOC-Prudential S&P 500 Index Fund or the timing of the issuance or sale of BOC-Prudential S&P 500 Index Fund or in the determination or calculation of the equation by which BOC-Prudential S&P 500 Index Fund is to be converted into cash, surrendered or redeemed, as the case may be. S&P Dow Jones Indices has no obligation or liability in connection with the administration, marketing or trading of BOC-Prudential S&P 500 Index Fund. There is no assurance that investment products based on the S&P 500® Index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice. Notwithstanding the foregoing, the Investment Manager and its affiliates may independently issue and/or sponsor financial products unrelated to BOC-Prudential S&P 500 Index Fund currently being issued by the Investment Manager, but which may be similar to and competitive with BOC-Prudential S&P 500 Index Fund. In addition, the Investment Manager and its affiliates may trade financial products which are linked to the performance of the S&P 500® Index.

S&P DOW JONES INDICES DOES NOT GUARANTEE THE ADEQUACY, ACCURACY, TIMELINESS AND/OR THE COMPLETENESS OF THE S&P 500® INDEX OR ANY DATA RELATED THERETO OR ANY COMMUNICATION, INCLUDING BUT NOT LIMITED TO, ORAL OR WRITTEN COMMUNICATION (INCLUDING ELECTRONIC COMMUNICATIONS) WITH RESPECT THERETO. S&P DOW JONES INDICES SHALL NOT BE SUBJECT TO ANY DAMAGES OR LIABILITY FOR ANY ERRORS, OMISSIONS, OR DELAYS THEREIN. S&P DOW JONES INDICES MAKES NO EXPRESS OR IMPLIED WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES, OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE OR AS TO RESULTS TO BE OBTAINED BY THE INVESTMENT MANAGER, OWNERS OF THE BOC-PRUDENTIAL S&P 500 INDEX FUND, OR ANY OTHER PERSON OR ENTITY FROM THE USE OF THE S&P 500® INDEX OR WITH RESPECT TO ANY DATA RELATED THERETO. WITHOUT LIMITING ANY OF THE FOREGOING, IN NO EVENT WHATSOEVER SHALL S&P DOW JONES INDICES BE LIABLE FOR ANY INDIRECT, SPECIAL, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES INCLUDING BUT NOT LIMITED TO, LOSS OF PROFITS, TRADING LOSSES, LOST TIME OR GOODWILL, EVEN IF THEY HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, WHETHER IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE. THERE ARE NO THIRD PARTY BENEFICIARIES OF ANY AGREEMENTS OR ARRANGEMENTS BETWEEN S&P DOW JONES INDICES AND THE INVESTMENT MANAGER, OTHER THAN THE LICENSORS OF S&P DOW JONES INDICES.

IV. MSCI Japan Index

A1 The Index

The MSCI Japan Index, consisting of stocks traded primarily on the Tokyo Stock Exchange, is designed to measure the performance of the large and mid cap segments of the Japanese market.

The MSCI Japan Index is a free float-adjusted market capitalization weighted index. It covers approximately 85% of the free float-adjusted market capitalization in Japan.

The BOC-Prudential MSCI Japan Index Fund tracks the net total return version of MSCI Japan Index. A net total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The MSCI Japan Index was launched on 31 March 1986. It is calculated and maintained by MSCI. The base currency of the MSCI Japan Index is U.S. dollars. It has a base date of 31 December 1969.

MSCI is the index provider of the MSCI Japan Index. MSCI is independent of the Investment Manager or its connected persons.

The MSCI Japan Index forms part of the MSCI Global Investable Market Indexes (GIMI).

Below is the information about the index methodology of the MSCI Global Investable Market Indexes, including the MSCI Japan Index. Such information is subject to revision from time to time by MSCI. Investors can refer to the website of MSCI (www.msci.com) for the latest version of the MSCI Global Investable Market Indexes Methodology. This website has not been reviewed by the SFC.

A2 Index Construction Methodology

The MSCI Japan Index is based on MSCI Global Investable Market Indexes (GIMI) Methodology.

Defining the equity universe

The methodology starts from defining the equity universe.

The equity universe is defined by:

- identifying eligible equity securities; and
- classifying these eligible equity securities into the appropriate country.

Determining the market investable equity universes

A market investable equity universe of the MSCI Japan Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

Identifying eligible listings

A security may have a listing in the country where it is classified (i.e. "local listing") and/or in a different country (i.e. "foreign listing"). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- the security is classified in a country that meets certain foreign listing materiality requirement; and
- the security's foreign listing is traded on an eligible stock exchange.

Investability screens

The investability screens used to determine the market investable equity universe of the MSCI Japan Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalization requirement;
- developed market and emerging market minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement;
- minimum foreign room requirement; and
- financial reporting requirement.

(i) Equity universe minimum size requirement

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalization a company must have to be a part of a market investable equity universe.

At the time of the August 2023 index review, the equity universe minimum size requirement was USD291 million for DM (developed market) and EM (emerging market). The equity universe minimum size requirement is reviewed and, if necessary revised, at index reviews.

The global minimum size range for each size-segment is determined by defining a global minimum size reference for large cap, standard, and investable market, and specifying a range of 0.5 times to 1.15 times those references.

The global minimum size reference for the standard market size-segments are derived in a similar manner to the derivation of the equity universe minimum size as follows:

(a) First, the companies in the DM investable equity universe are sorted in descending order of full market capitalization and the cumulative free float-adjusted market capitalization coverage of the DM investable equity universe is calculated at each company.

(b) Then, the full market capitalizations of the companies that provide the following cumulative free float-adjusted market capitalization coverage of the DM investable equity universe are chosen:
   - DM standard index: 85% coverage

(c) For emerging markets, the global minimum size reference is set at one-half the corresponding level of full market capitalization used for the developed markets for each size-segment.

(ii) Equity universe minimum free float-adjusted market capitalization requirement

The equity universe minimum free float-adjusted market capitalization requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalization equal to or higher than 50% of the equity universe minimum size requirement.

(iii) Minimum liquidity requirement

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. A security's liquidity is measured by:

- 12-month and 3-month annual traded value ratio ("ATVR"); and
- 3-month frequency of trading.

A minimum liquidity level of 20% of 3-month ATVR and 90% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 20% of 12-month ATVR are required for the inclusion of a security in a market investable equity universe of a developed market. This rule is referred to as the DM minimum liquidity requirement.

A minimum liquidity level of 15% of 3-month ATVR and 80% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 15% of 12-month ATVR are required for the inclusion of a security in a market investable equity universe of an emerging market. This rule is referred to as the EM minimum liquidity requirement.

(iv) Global minimum foreign inclusion factor requirement

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company).

In general, a security must have a foreign inclusion factor equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe. Exceptions to this general rule are made only in the limited cases where the exclusion of securities of a very large company would compromise the index's ability to fully and fairly represent the characteristics of its underlying market.

(v) Minimum length of trading requirement

The length of trading requirement is applied at the individual security level and is only applicable to small new issues in all markets. This requirement is the minimum period (three months) an individual security must have been trading before the implementation of an index review to be part of a market investable equity universe. Large IPOs and large primary / secondary offerings of non index-constituents are not subject to this requirement, and may be included in a market investable equity universe outside of an index review.

(vi) Minimum foreign room requirement

This investability screen is applied at the individual security level. For a security that is subject to a foreign ownership limit to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15%.

To define the size-segment indices for a market, the following free float-adjusted market capitalization market coverage target ranges are applied to the market investable equity universe:

- large cap index: 70% +/- 5%
- standard index: 85% +/- 5%
- investable market index: 99% + 1% or -0.5%

The complete methodology for the construction of the index is available for consultation on the MSCI web site: www.msci.com. This website has not been reviewed by the SFC.

A3 Index Maintenance

The MSCI Japan Index is maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve index continuity, continuous investability of constituents and replicability of the index, and index stability and low index turnover.

In particular, the index maintenance involves:

- Quarterly index reviews in February, May, August and November of the size-segment indices which include:
  - updating the indices on the basis of a fully refreshed equity universe;
  - taking buffer rules into consideration for migration of securities across size and style segments;
  - updating foreign inclusion factors and number of shares.

- Ongoing event-related changes - Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indexes (GIMI) Methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the index review process.

A4 Basic Information of the Index

As at 29 September 2023, the MSCI Japan Index consists of 235 constituent securities and has a market capitalization of around USD 3,385.16 billion. The number of constituent securities may change from time to time.

The list of constituent securities of the MSCI Japan Index and with their respective weightings are available on the website of the index provider (https://www.msci.com/constituents/). This website has not been reviewed by the SFC. Investors should note that the list of constituent securities of the MSCI Japan Index may be updated from time to time.

Investors may also obtain further information of the index methodology of the index from the website of the index provider at www.msci.com. This website has not been reviewed by the SFC.

The Investment Manager will consult the SFC on any events that may affect the acceptability of the MSCI Japan Index and give a written notice to the unitholders of the sub-fund as soon as practicable on any significant events relating to the index. These may include a change in the methodology/rules for compiling or calculating the index, or a change in the objective or characteristics of the index.

A5 Index Disclaimer

BOC-Prudential MSCI Japan Index Fund is not sponsored, endorsed, sold or promoted by MSCI, any of its affiliates, any of its information providers or any other third party involved in, or related to compiling, computing or creating any MSCI Index (collectively, the "MSCI Parties"). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by the Investment Manager. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of the BOC-Prudential MSCI Japan Index Fund or any other person or entity regarding the advisability of investing in the BOC-Prudential MSCI Japan Index Fund particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks. Service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to the BOC-Prudential MSCI Japan Index Fund or the issuer or owners of the BOC-Prudential MSCI Japan Index Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of the BOC-Prudential MSCI Japan Index Fund or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the BOC-Prudential MSCI Japan Index Fund to be issued or in the determination or calculation of the equation by or the consideration into which the BOC-Prudential MSCI Japan Index Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of the BOC-Prudential MSCI Japan Index Fund or any other person or entity in connection with the administration, marketing or offering of the BOC-Prudential MSCI Japan Index Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the BOC-Prudential MSCI Japan Index Fund, owners of the BOC-Prudential MSCI Japan Index Fund, or any other person or entity, from the use of any MSCI Index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI's permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.

V. MSCI AC Asia Pacific ex Japan Index

A1 The Index

The MSCI AC Asia Pacific ex Japan Index is designed to capture large and mid cap representation across various countries in the Asia Pacific region (excluding Japan), including developed markets countries and emerging markets countries. As at the date of this Principal Brochure, developed markets countries included in the MSCI AC Asia Pacific ex Japan Index are: Australia, Hong Kong, New Zealand and Singapore; and emerging markets countries included in the MSCI AC Asia Pacific ex Japan Index are: Mainland China, India, Indonesia, Korea, Malaysia, the Philippines, Taiwan and Thailand.

The index is a free float-adjusted market capitalization weighted index reflecting the performance of large- and mid-capitalization companies in Asia Pacific excluding Japan. It covers approximately 85% of the free float-adjusted market capitalization in each country.

The BOC-Prudential MSCI AC Asia-Pacific ex Japan Index Fund tracks the net total return version of MSCI AC Asia Pacific ex Japan Index. A net total return index calculates the performance of the index constituents on the basis that any dividends or distributions are reinvested after the deduction of any taxes that may apply.

The MSCI AC Asia Pacific ex Japan Index was launched on 31 March 1995. It is calculated and maintained by MSCI. The MSCI AC Asia Pacific ex Japan Index has a base date of 31 December 1987. The MSCI AC Asia Pacific ex Japan Index is calculated in U.S. dollars on an end of day basis.

The prices used to calculate the MSCI AC Asia Pacific ex Japan Index are the official exchange closing prices or those figures accepted as such. The index provider reserves the right to use an alternative pricing source on any given day.

MSCI is the index provider of the MSCI AC Asia Pacific ex Japan Index. MSCI is independent of the Investment Manager or its connected persons.

The MSCI AC Asia Pacific ex Japan Index forms part of the MSCI Global Investable Market Indexes (GIMI).

Below is the information about the index methodology of the MSCI AC Asia Pacific ex Japan Index. Such information is subject to revision from time to time by MSCI. Investors can refer to the website of MSCI (www.msci.com) for the latest version of the MSCI AC Asia Pacific ex Japan Index Methodology. This website has not been reviewed by the SFC.

A2 Index Construction Methodology

The MSCI AC Asia Pacific ex Japan Index is based on MSCI Global Investable Market Indexes (GIMI) Methodology.

Defining the equity universe

The methodology starts from defining the equity universe.

The equity universe is defined by:

- identifying eligible equity securities; and
- classifying these eligible equity securities into the appropriate country.

Determining the market investable equity universes

A market investable equity universe of the MSCI AC Asia Pacific ex Japan Index is derived by:

- identifying eligible listings for each security in the relevant equity universe; and
- applying investability screens to individual companies and securities in the relevant equity universe.

Identifying eligible listings

A security may have a listing in the country where it is classified (i.e. "local listing") and/or in a different country (i.e. "foreign listing"). Securities may be represented by either a local listing or a foreign listing (including a depositary receipt) in the global investable equity universe.

A security may be represented by a foreign listing only if:

- the security is classified in a country that meets certain foreign listing materiality requirement; and
- the security's foreign listing is traded on an eligible stock exchange.

Investability screens

The investability screens used to determine the market investable equity universe of the MSCI AC Asia Pacific ex Japan Index are:

- equity universe minimum size requirement;
- equity universe minimum free float-adjusted market capitalization requirement;

- developed market and emerging market minimum liquidity requirement;
- global minimum foreign inclusion factor requirement;
- minimum length of trading requirement;
- minimum foreign room requirement; and
- financial reporting requirement.

(i) Equity universe minimum size requirement

Equity universe minimum size requirement is an investability screen applied at the company level. The equity universe minimum size requirement is the minimum full market capitalization a company must have to be a part of a market investable equity universe.

At the time of the August 2023 index review, the equity universe minimum size requirement was USD291 million for DM (developed market) and EM (emerging market). The equity universe minimum size requirement is reviewed and, if necessary revised, at index reviews.

The global minimum size range for each size-segment is determined by defining a global minimum size reference for large cap, standard, and investable market, and specifying a range of 0.5 times to 1.15 times those references.

The global minimum size reference for the standard market size-segments are derived in a similar manner to the derivation of the equity universe minimum size as follows:

(a) First, the companies in the DM investable equity universe are sorted in descending order of full market capitalization and the cumulative free float-adjusted market capitalization coverage of the DM investable equity universe is calculated at each company.
(b) Then, the full market capitalizations of the companies that provide the following cumulative free float-adjusted market capitalization coverage of the DM investable equity universe are chosen:
    - DM standard index: 85% coverage
(c) For emerging markets, the global minimum size reference is set at one-half the corresponding level of full market capitalization used for the developed markets for each size-segment.

(ii) Equity universe minimum free float-adjusted market capitalization requirement

The equity universe minimum free float-adjusted market capitalization requirement is an investability screen which is applied at the individual security level. To be eligible for inclusion in a market investable equity universe, a security must have a free float-adjusted market capitalization equal to or higher than 50% of the equity universe minimum size requirement.

(iii) Minimum liquidity requirement

A security must have at least one eligible listing that meets certain minimum liquidity requirement to be a part of a market investable equity universe. A security's liquidity is measured by:
- 12-month and 3-month annual traded value ratio (“ATVR”); and

- 3-month frequency of trading.

A minimum liquidity level of 20% of 3-month ATVR and 90% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 20% of 12-month ATVR are required for the inclusion of a security in a market investable equity universe of a developed market. This rule is referred to as the DM minimum liquidity requirement.

A minimum liquidity level of 15% of 3-month ATVR and 80% of 3-month frequency of trading over the last 4 consecutive quarters, as well as 15% of 12-month ATVR are required for the inclusion of a security in a market investable equity universe of an emerging market. This rule is referred to as the EM minimum liquidity requirement.

(iv) Global minimum foreign inclusion factor requirement

The minimum foreign inclusion factor requirement is the minimum foreign inclusion factor a security must have to be part of a market investable equity universe. A security's foreign inclusion factor relates to the proportion of shares outstanding that is available for purchase in the public equity markets by international investors. This proportion accounts for the available free float of and/or the foreign ownership limits applicable to a specific security (or company).

In general, a security must have a foreign inclusion factor equal to or larger than 0.15 to be eligible for inclusion in a market investable equity universe. Exceptions to this general rule are made only in the limited cases where the exclusion of securities of a very large company would compromise the index’s ability to fully and fairly represent the characteristics of its underlying market.

(v) Minimum length of trading requirement

The length of trading requirement is applied at the individual security level and is only applicable to small new issues in all markets. This requirement is the minimum period (three months) an individual security must have been trading before the implementation of an index review to be part of a market investable equity universe. Large IPOs and large primary / secondary offerings of non index-constituents are not subject to this requirement, and may be included in a market investable equity universe outside of an index review.

(vi) Minimum foreign room requirement

This investability screen is applied at the individual security level. For a security that is subject to a foreign ownership limit to be eligible for inclusion in a market investable equity universe, the proportion of shares still available to foreign investors relative to the maximum allowed (referred to as "foreign room") must be at least 15%.

To define the size-segment indices for a market, the following free float-adjusted market capitalization market coverage target ranges are applied to the market investable equity universe:

- large cap index: 70% +/- 5%
- standard index: 85% +/- 5%
- investable market index: 99% + 1% or -0.5%

The complete methodology for the construction of the index is available for consultation on the MSCI web site: www.msci.com. This website has not been reviewed by the SFC.

A3 Index Maintenance

The MSCI AC Asia Pacific ex Japan Index is maintained with the objective of reflecting the evolution of the underlying equity markets and segments on a timely basis, while seeking to achieve index continuity, continuous investability of constituents and replicability of the index, and index stability and low index turnover.

In particular, the index maintenance involves:

- Quarterly index reviews in February, May, August and November of the size-segment indices which include:
  - updating the indices on the basis of a fully refreshed equity universe;
  - taking buffer rules into consideration for migration of securities across size and style segments;
  - updating foreign inclusion factors and number of shares.

- Ongoing event-related changes - Changes of this type are generally implemented in the indices as they occur. Significantly large IPOs are included in the indices after the close of the company's tenth day of trading.

Any index constructed on the basis of the MSCI Global Investable Market Indexes (GIMI) Methodology may be subject to potential concentration and other limitations resulting from changes in the underlying markets. Any such potential limitations of an existing methodology may be assessed as part of the index review process.

A4 Basic Information of the Index

As at 29 September 2023, the MSCI AC Asia Pacific ex Japan Index consists of 1,309 constituent securities and has a market capitalization of around USD 6,790.97 billion. The number of constituent securities may change from time to time.

The list of constituent securities of the MSCI AC Asia Pacific ex Japan Index and with their respective weightings are available on the website of the index provider (https://www.msci.com/constituents/). This website has not been reviewed by the SFC. Investors should note that the list of constituent securities of the MSCI AC Asia Pacific ex Japan Index may be updated from time to time.

Investors may also obtain further information of the index methodology of the index from the website of the index provider at www.msci.com. This website has not been reviewed by the SFC.

The Investment Manager will consult the SFC on any events that may affect the acceptability of the MSCI AC Asia Pacific ex Japan Index and give a written notice to the unitholders of the sub-fund as soon as practicable on any significant events relating to the index. These may include a change in the methodology/rules for compiling or calculating the index, or a change in the objective or characteristics of the index.

A5 Index Disclaimer

BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund is not sponsored, endorsed, sold or promoted by MSCI, any of its affiliates, any of its information providers or any other third party involved in, or related to compiling, computing or creating any MSCI Index (collectively, the “MSCI Parties”). The MSCI Indexes are the exclusive property of MSCI. MSCI and the MSCI Index names are service mark(s) of MSCI or its affiliates and have been licensed for use for certain purposes by the Investment Manager. None of the MSCI Parties makes any representation or warranty, express or implied, to the issuer or owners of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund or any other person or entity regarding the advisability of investing in the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund particularly or the ability of any MSCI Index to track corresponding stock market performance. MSCI or its affiliates are the licensors of certain trademarks. Service marks and trade names and of the MSCI Indexes which are determined, composed and calculated by MSCI without regard to the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund or the issuer or owners of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund or any other person or entity. None of the MSCI Parties has any obligation to take the needs of the issuer or owners of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund or any other person or entity into consideration in determining, composing or calculating the MSCI Indexes. None of the MSCI Parties is responsible for or has participated in the determination of the timing of, prices at, or quantities of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund to be issued or in the determination or calculation of the equation by or the consideration into which the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund is redeemable. Further, none of the MSCI Parties has any obligation or liability to the issuer or owners of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund or any other person or entity in connection with the administration, marketing or offering of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund.

Although MSCI shall obtain information for inclusion in or for use in the calculation of the MSCI Indexes from sources that MSCI considers reliable, none of the MSCI Parties warrants or guarantees the originality, accuracy and/or the completeness of any MSCI Index or any data included therein. None of the MSCI Parties makes any warranty, express or implied, as to results to be obtained by the issuer of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund, owners of the BOC-Prudential MSCI AC Asia Pacific ex Japan Index Fund, or any other person or entity, from the use of any MSCI Index or any data included therein. None of the MSCI Parties shall have any liability for any errors, omissions or interruptions of or in connection with any MSCI Index or any data included therein. Further, none of the MSCI Parties makes any express or implied warranties of any kind, and the MSCI Parties hereby expressly disclaim all warranties of merchantability and fitness for a particular purpose, with respect to each MSCI Index and any data included therein. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

No purchaser, seller or holder of this security, product or fund, or any other person or entity, should use or refer to any MSCI trade name, trademark or service mark to sponsor, endorse, market or promote this security without first contacting MSCI to determine whether MSCI’s permission is required. Under no circumstances may any person or entity claim any affiliation with MSCI without the prior written permission of MSCI.