

20 October 2023

Issuer: BOCI-Prudential Asset Management Limited

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

Quick facts

Fund Manager:	BOCI-Prudential Asset Management Limited (the "Investment Manager")
Custodian, Trustee and Registrar:	BOCI-Prudential Trustee Limited
Ongoing charges over a year:	<i>Provident Class – Class A (HKD) Units#:</i> 0.20% of the NAV of such class of Units <i>Provident Administration Class (HKD) Units^:</i> 0.92% of the NAV of such class of Units <i>Investment Class (HKD) Units##:</i> 0.84% of the NAV of such class of Units <i>Investment Class (USD) Units##:</i> 0.84% of the NAV of such class of Units <i>Retail Class (HKD) Units***:</i> 0.98% of the NAV of such class of Units <i>Retail Class (USD) Units***:</i> 0.98% of the NAV of such class of Units
Underlying index:	S&P 500® Index
Tracking difference of the last calendar year:	<i>Provident Class – Class A (HKD) Units: 0.03%¹</i> <i>Investment Class (HKD) Units: -0.49%²</i> <i>Investment Class (USD) Units: -0.49%³</i> <i>Retail Class (HKD) Units: -0.60%⁴</i> <i>Retail Class (USD) Units: -0.60%⁵</i>
Estimated annual tracking difference##:	<i>Provident Administration Class (HKD) Units: -1.01%</i>
Distribution policy:	The Investment Manager does not intend to make distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund.
Financial year end:	31 March
Minimum investment:	<i>Provident Class – Class A (HKD) Units:</i> No minimum investment and subsequent holding requirement <i>Provident Administration Class (HKD) Units:</i> No minimum investment and subsequent holding requirement <i>Investment Class (HKD) Units:</i> Initial and addition: HK\$5,000,000 <i>Investment Class (USD) Units:</i> Initial and addition: the USD equivalent amount of HK\$5,000,000 <i>Retail Class (HKD) Units:</i> Initial and addition: HK\$5,000 <i>Retail Class (USD) Units:</i> Initial and addition: the USD equivalent amount of HK\$5,000
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	Hong Kong Dollars

- # The ongoing charges figure is based on expenses of such class of units for the period ended 31 March 2023. This figure may vary from year to year.
- ## The actual figure may vary upon actual operation of the Sub-Fund and depends on the actual fund size.
- ^ Since Provident Administration Class (HKD) Units are newly launched, the figure is only the Manager's best estimate of the expenses chargeable to such class expressed as a percentage of such class' estimated average net asset value over the first year of launch. The actual figure may be different upon actual operation of such class and may vary from year to year.
- * Since Investment Class Units (including Investment Class (HKD) Units and Investment Class (USD) Units) have the same fee structure, a single ongoing charges figure can be calculated and published.
- ** Since Retail Class Units (including Retail Class (HKD) Units and Retail Class (USD) Units) have the same fee structure, a single ongoing charges figure can be calculated and published.
- 1 This tracking difference figure is based on the total return (with dividend reinvested) version of the Underlying Index. When the price return version of the Underlying Index is used for measurement, the tracking difference figure is 0.96%.
- 2 This tracking difference figure is based on the total return (with dividend reinvested) version of the Underlying Index. When the price return version of the Underlying Index is used for measurement, the tracking difference figure is 0.45%.
- 3 This tracking difference figure is based on the total return (with dividend reinvested) version of the Underlying Index. When the price return version of the Underlying Index is used for measurement, the tracking difference figure is 0.44%.
- 4 This tracking difference figure is based on the total return (with dividend reinvested) version of the Underlying Index. When the price return version of the Underlying Index is used for measurement, the tracking difference figure is 0.33%.
- 5 This tracking difference figure is based on the total return (with dividend reinvested) version of the Underlying Index. When the price return version of the Underlying Index is used for measurement, the tracking difference figure is 0.33%.

What is this product?

BOC-Prudential S&P 500 Index Fund (the "**Sub-Fund**") is a sub-fund under the BOC-Prudential Index Fund Series, which is an umbrella unit trust established under the laws of Hong Kong. The Sub-Fund is a passively managed index tracking fund falling under Chapter 8.6 of the Code on Unit Trusts and Mutual Funds.

Objectives and Investment Strategy

The Sub-Fund seeks to provide investment performance (before fees and expenses) that tracks the performance of the S&P 500® Index (the "**Underlying Index**"). The Underlying Index is an index consisting of equity securities representing a large cross-section of the U.S. publicly-traded stock market. The Underlying 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 Underlying Index. The Sub-Fund adopts representative sampling strategy and may not hold all of the securities that are included in the Underlying Index. The Investment Manager may invest in securities included in the Underlying Index, or in other securities that are not included in the Underlying Index provided that the portfolio matches the characteristics of the Underlying 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 Underlying 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.

Currently, the Investment Manager has no intention to enter into securities lending transactions, repurchase or reverse repurchase agreements or similar over-the-counter ("**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.

Underlying Index - S&P 500® Index

The Underlying Index is an index that 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 Underlying 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 Underlying 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 Underlying Index is recognized for its emphasis towards large stocks. Each stock in the Underlying Index is weighted by its market capitalization (its total market value relative to the total market values of all the securities in the Underlying Index). The Underlying Index forms part of the S&P Dow Jones U.S. indices.

The S&P 500 Index® is a price return, free float market capitalisation-weighted index and was launched on 4 March 1957. It is compiled and published by S&P Dow Jones Indices LLC independent of the Investment Manager or its connected persons. The Underlying Index tracked by the Sub-Fund is denominated and quoted in Hong Kong dollars. The base date of the Underlying Index was from 1941 to 1943.

As at 29 September 2023, the Underlying Index consists of 503 constituent securities and has a total market capitalization of approximately USD 37,775.77 billion.

The list of constituent securities of the Underlying Index and with their respective weightings are available on the website of the index provider^ (<https://supplemental.spindices.com/supplemental-data/hong-kong>). Investors should note that the list of constituent securities of the Underlying Index may be updated from time to time.

The index methodology and the latest index information of the Underlying Index are available from the website of the index provider^ (www.spglobal.com/spdji/en). Please refer to the "The S&P 500® Index" section of the Appendix to the Principal Brochure for further details of the Underlying Index.

Use of derivatives / investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's net asset value.

What are the key risks?

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

1. Investment risk

The Sub-Fund is an investment fund. The Sub-Fund's 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.

2. 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 Sub-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.

3. Concentration risk and risks relating to investing in the U.S.

- The Sub-Fund's investments focus on the U.S.. 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 U.S. market.

4. Currency risk

Underlying investments of the Sub-Fund may be denominated in a currency (which is mainly USD) other than the base currency of the Sub-Fund. Also, a class of Units may be designated in a currency other than the base currency of the Sub-Fund. The net asset value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between the currency of the underlying investments and the base currency and by changes in exchange rate controls.

5. Passive investment risk

The Sub-Fund is passively managed. Due to inherent nature of index funds, the Investment Manager of the Sub-Fund 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 the Underlying Index will result in a corresponding fall in the value of the Sub-Fund.

6. Portfolio management risk

Since the Sub-Fund will not fully replicate the 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.

7. Tracking error risk

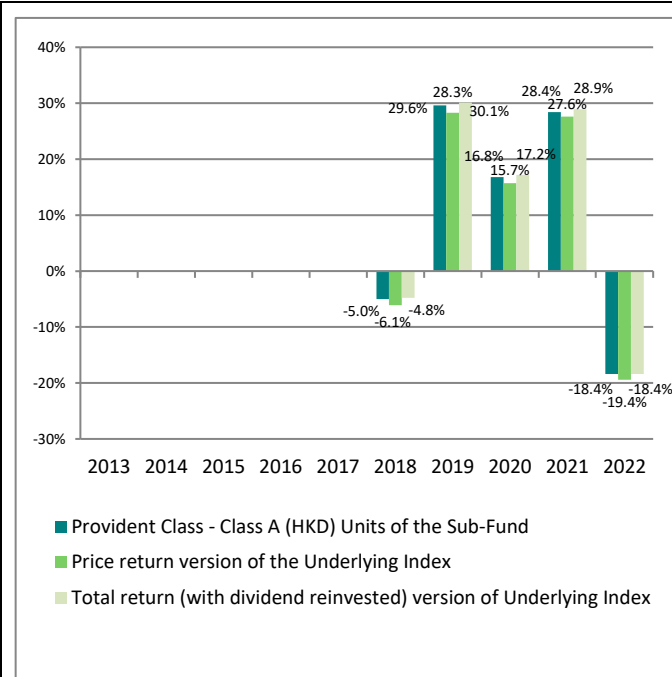
The Sub-Fund may be subject to tracking error risk, which is the risk that its performance may not track that of the Underlying Index exactly. The Sub-Fund's returns may therefore deviate from the Underlying Index and such tracking error may be a result of a number of factors, for example, the fees and expenses of the Sub-Fund and the need for the Investment Manager to adopt a representative sampling strategy. There can be no assurance of exact or identical replication at any time of the performance of the Underlying Index. The Investment Manager will monitor and seek to manage such risk to minimize tracking error.

8. Termination risk

The Sub-Fund may be terminated for a number of reasons including but without limitation (i) the index provider terminating the Underlying Index or not allowing the Sub-Fund to use the Underlying Index and there being no successor index; or (ii) at any time one year after the establishment of Sub-Fund its net asset value falling below HK\$10,000,000. Investors may not be able to recover their investments and suffer a loss when the Sub-Fund is terminated.

9. 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.

How has the Sub-Fund performed?

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with distributions reinvested.
- Provident Class – Class A (HKD) Units are selected as representative class because this class is mainly subscribed by Unitholders as at the date of this statement.
- These figures show by how much Provident Class – Class A (HKD) Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee, initial charge and redemption charge you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Provident Class – Class A (HKD) Units, Investment Class (HKD) Units and Investment Class (USD) Units were launched in 2017. Retail Class (HKD) Units and Retail Class (USD) Units were launched in 2020. Provident Administration Class (HKD) Units were launched in 2023.
- Only Provident Class – Class A (HKD) Units, Provident Administration Class (HKD) Units, Investment Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units and Retail Class (USD) Units are currently available.

Is there any guarantee?

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

What are the fees and charges?

Summary of fees and charges for the units of the Sub-Fund is listed below.

Charges which may be payable by you

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

Fee	What you pay
Initial charge/Subscription fee	
(i) Initial charge (payable to Investment Manager)	Provident Class – Class A (HKD) Units: Nil Provident Administration Class (HKD) Units: Currently waived, up to a maximum of 5% of the subscription monies Investment Class (HKD) Units: Up to a maximum of 5% of the subscription monies Investment Class (USD) Units: Up to a maximum of 5% of the subscription monies Retail Class (HKD) Units: Up to a maximum of 5% of the subscription monies Retail Class (USD) Units: Up to a maximum of 5% of the subscription monies
(ii) Subscription fee (payable to Trustee)	Provident Class – Class A (HKD) Units: Nil Provident Administration Class (HKD) Units: Nil Investment Class (HKD) Units: Nil Investment Class (USD) Units: Nil Retail Class (HKD) Units: Currently waived, up to a maximum of US\$5 for each subscription Retail Class (USD) Units: Currently waived, up to a maximum of US\$5 for each subscription
Switching fee (payable to Investment Manager)	Switching involving Provident Class – Class A (HKD) Units or Provident Administration Class (HKD) Units and involving another sub-fund: Nil Switching involving Investment Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units or Retail Class (USD) Units and involving another sub-fund: 1% of the redemption proceeds, up to a maximum of 5% of the redemption proceeds Switching involving the Sub-Fund only (i.e. between different classes of units of the same sub-fund): Currently waived, up to a maximum of 5% of the redemption proceeds
Redemption charge/fee	
(i) Redemption charge (payable to Investment Manager)	Provident Class – Class A (HKD) Units: Nil Provident Administration Class (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Investment Class (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Investment Class (USD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Retail Class (HKD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit Retail Class (USD) Units: Currently waived, up to a maximum of 1.5% of the net asset value per unit
(ii) Redemption fee (payable to Trustee)	Provident Class – Class A (HKD) Units: Nil Provident Administration Class (HKD) Units: Nil Investment Class (HKD) Units: Nil Investment Class (USD) Units: Nil Retail Class (HKD) Units: Currently waived, up to a maximum of US\$5 for each redemption Retail Class (USD) Units: Currently waived, up to a maximum of US\$5 for each redemption

Ongoing fees payable by the Sub-Fund

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

	<i>Annual rate (as a % of the Sub-Fund's net asset value)</i>
Investment management fees (payable to Investment Manager)	Provident Class – Class A (HKD) Units: Nil Provident Administration Class (HKD) Units: 0.3525%, up to a maximum of 2% Investment Class (HKD) Units: 0.50%, up to a maximum of 2% Investment Class (USD) Units: 0.50%, up to a maximum of 2% Retail Class (HKD) Units: 0.65%, up to a maximum of 2% Retail Class (USD) Units: 0.65%, up to a maximum of 2%
Custodian fee	All Classes: N/A
Trustee fee (payable to Trustee)	Provident Class – Class A (HKD) Units: 0.0875% (current and maximum) Investment Class (HKD) Units, Investment Class (USD) Units, Retail Class (HKD) Units, Retail Class (USD) Units: 0.125% on the first HK\$200 million; 0.10% on the next HK\$200 million; 0.0875% on the remaining balance; up to a maximum of 1% Provident Administration Class (HKD) Units: 0.45%, up to a maximum of 1%
Performance fee	All Classes: N/A
Administration fee	All Classes: N/A

You should note that some fees may be increased, up to a specified permitted maximum, by giving unitholders at least three (3) months' prior notice.

Other fees

Please note that other fees and charges may also be deducted from the Sub-Fund. For details, please refer to section "Fees and Charges" on pages 74 to 81 of the Principal Brochure.

Additional Information

- You generally buy and/or redeem Units of the Sub-Fund at the Sub-Fund's next determined net asset value after the Investment Manager receives your request in good order on or before 5:00 p.m. (Hong Kong time) (the Dealing Deadline) on the relevant Dealing Day (which is generally Hong Kong Business Day (except Saturdays) or such other day or days as the Investment Manager and the Trustee may agree from time to time).
- Applications could 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 website[^] (www.boci-pru.com.hk) and different dealing procedures, such as earlier application or payment cut-off time may be involved. Applicants should consult the relevant fund distributors or the Investment Manager to find out the dealing procedures that are applicable to them.
- The net asset value per unit of the Sub-Fund is calculated and will be published on each Dealing Day in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.
- The past performance information of other class(es) of Units offered to Hong Kong investors is available on the Investment Manager's website[^] (www.boci-pru.com.hk).
- Other information of the Sub-Fund can also be found at the Investment Manager's website[^] (www.boci-pru.com.hk).

Important

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

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

[^] This website has not been reviewed by the SFC.