

# BOCHK INVESTMENT FUNDS

## BOCHK US DOLLAR MONEY MARKET FUND

October 2023 Issue  
(Data as of 29 September 2023)

### Important Notes:

- Investment involves risks and BOCHK US Dollar Money Market Fund (the "Sub-Fund") may not be suitable for everyone. Past performance is not indicative of future performance. The Sub-Fund is subject to market and exchange rate fluctuations and to the risks inherent in all investments. Price of Units and the income (if any) generated from the Sub-Fund may go down as well as up. Investors could face no returns and/or suffer significant loss related to the investments. There is no guarantee in respect of repayment of principal.
- The key risks to which the Sub-Fund is subject to include: general investment risk, volatility and liquidity risk, interest rate risk, market risk, credit/ counterparty risk, sovereign debt risk, valuation risk, concentration risk, risk associated with instruments with loss-absorption features and emerging market / the People's Republic of China ("PRC") market risk.
- Please refer to the offering document of the Sub-Fund for further details including investment objectives and policies, charges and expenses, and risk factors, before making any investment decision.

### CUMULATIVE PERFORMANCE IN USD [Gross Distribution Reinvested]

	3 Months	Year to date	1 Year	3 Years	5 Years	Since Inception
Sub-Fund — Class A	1.26%	3.51%	4.41%	5.05%	9.09%	36.89%
SOFR Index <sup>^</sup>	1.33%	3.78%	4.92%	6.46%	10.32%	43.70%

### CALENDAR YEAR PERFORMANCE IN USD

	Sub-Fund — Class A	SOFR Index <sup>^</sup>
2018	2.15%	2.32%
2019	2.38%	2.33%
2020	0.84%	0.66%
2021	-0.05%	0.16%
2022	1.49%	2.36%

### TOP 5 HOLDINGS (Fixed Income Instrument)

1	BOCOM LEASING 4.375% S/A 22JAN2024	4.7%
2	KOREA DEV BANK 0.4% S/A 09MAR2024	3.1%
3	KOREA LAND & HOU 0.625% S/A 03NOV2023	1.6%
4	—	—
5	—	—

### FUND DATA (Class A)

Investment Manager	Fixed Income Team
Fund Size (Million)	USD 63.61
Inception Date	12 July 2002
Base Currency	USD
Management Fee (p.a.)	0.25%
Initial Charge	—
Switching Fee	1%* or Nil*
NAV per unit	USD 13.6894
12 Months NAV <sup>++</sup>	Highest: USD 13.6894 Lowest: USD 13.1433
Risk Level <sup>♦</sup>	Low
Standard Deviation	0.58%
Beta	0.94
Bloomberg Ticker	BOCUSDA HK EQUITY
ISIN Code	HK0000039831

### COMPOSITION



### INVESTMENT OBJECTIVES AND POLICIES

The BOCHK US Dollar Money Market Fund seeks to provide an investment vehicle to enjoy the higher rates available from a managed portfolio of short-term and high quality money market investments combined with a high degree of security and ready availability of monies and to seek to offer returns in line with money market rates. At least 70% of the Sub-Fund's net asset value will be invested in a range of short-term deposits and high quality money market instruments issued locally or overseas by governments, quasi-governments, international organisations, financial institutions or other corporations and money market funds that are authorized by the SFC under 8.2 of the Code on Unit Trusts and Mutual Funds or regulated in other jurisdiction(s) in a manner generally comparable with the requirements of the SFC and acceptable to the SFC. The Sub-Fund will maintain a portfolio with weighted average maturity not exceeding 60 days and a weighted average life not exceeding 120 days and will not purchase an instrument with a remaining maturity of more than 397 days, or two years in the case of Government and other public securities. The Sub-Fund may invest not more than 30% of its Net Asset Value in debt instruments with loss-absorption features (LAP).

### MANAGER'S COMMENT<sup>##</sup>

- U.S. Treasury market weakened in September as bond yields soared further. Recent data releases pointed to resilient economic activities, with the latest ISM and PMI data suggesting that services activity held up well in August, just as the manufacturing sector contracted less than expected. Nonfarm payrolls coming in higher than expected in August underscored the tightness of the labour market, despite higher participation rate drove unemployment rate higher. Meanwhile, the main inflation gauges, including CPI and PCE, were both largely in line with expectations in August.
- While maintaining policy rate unchanged at the September meeting, the Fed echoed market expectations of keeping interest rates higher for longer and growing increasingly optimistic of achieving a soft landing. Meanwhile, average SOFR ("Secured Overnight Financing Rate") continued to surge, with the 30 days average SOFR increased by less than 1 basis point to 5.32%, while the 90 days average SOFR rose by 8 basis point to 5.27%.
- The Sub-Fund would maintain high degree of liquidity and add quality short-dated paper in a way to enhance return.

The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 0.0% of the Sub-Fund's fund size.

Class B of the Sub-Fund has been closed for subscription.

<sup>^</sup> From 1 January 2023, the "3-Month London Interbank Offered Rate" (3M LIBOR) used for performance comparison of the Sub-Fund has been replaced by "Secured Overnight Financing Rate Index" (SOFR Index). The SOFR Index value reflects the effect of compounding the SOFR each U.S. government securities market business day and allows the calculation of compounded SOFR averages over specific time periods. Such performance comparison information is for reference purposes only.

<sup>§</sup> "Net Liquidity" was formerly named as "Cash & Deposit".

<sup>##</sup> The manager's comment above solely reflects the opinion, view and interpretation of the fund managers as of the date of issuance of this document. Investors should not solely rely on such information to make any investment decision.

<sup>♦</sup> Risk levels are categorized into low, low to medium, medium, medium to high and high. The risk levels are determined by BOCI-Prudential Asset Management Limited based on the investment mix of each Sub-Fund and/or its underlying investments, and represent only the views of BOCI-Prudential Asset Management Limited in respect of the relevant Sub-Fund. Such risk levels are for reference only and should not be regarded as investment advice. You should not rely on the risk levels only when making any investment decision. The risk level is determined based on data as at 30 December 2022 and will be reviewed and (if appropriate) updated at least annually without prior notice, taking into account the prevailing market circumstances. If you are in doubt about the information of risk level, you should seek independent financial and professional advice.

<sup>++</sup> 12 Months Highest / Lowest NAV per Unit was calculated by reference to the NAV per Unit on each month's last dealing day.

<sup>+</sup> For switching into a different class (denominated in a different currency) of Class A Units relating to the same Sub-Fund or switching into Class A Units of another Sub-Fund which is not a Money Market Sub-Fund (as defined in the Explanatory Memorandum) ("Non-Money Market Sub-Fund"). If Units are switched from the Sub-Fund or another Money Market Sub-Fund ("Switch-Out Money Market Sub-Fund") into a Non-Money Market Sub-Fund ("Switch-In Non-Money Market Sub-Fund"), an initial charge applicable to the Switch-In Non-Money Market Sub-Fund (instead of the 1% switching fee) will be levied in respect of such Units as a result of the switching where the Manager has determined that no initial charge has ever been levied for Units of such Switch-Out Money Market Sub-Fund. For details, please refer to the section "Charges and Expenses" of the Explanatory Memorandum.

<sup>\*</sup> For switching into units of another Money Market Sub-Fund.

Investors should note that Bank of China (Hong Kong) Limited is not the Manager of the Sub-Fund and will only act as the Sponsor and Distributor whilst BOCI-Prudential Asset Management Limited is the Manager. Fund performance is calculated in the base currency of the Sub-Fund or the denominated currency of the relevant class of Units of the Sub-Fund on NAV-to-NAV basis with gross distribution reinvested. The data for "Standard Deviation", "Beta" and "Morningstar Overall Rating<sup>™</sup>" will not be shown for the Sub-Fund or the relevant class of the Units of the Sub-Fund with less than 3-year history. "Standard Deviation", a risk measurement, is based on the monthly return of the Sub-Fund or the relevant class of Units of the Sub-Fund over the past 3 years in the base currency of the Sub-Fund or the denominated currency of the relevant class of Units of the Sub-Fund. "Beta" measures the sensitivity of the return of the Sub-Fund or the relevant class of Units of the Sub-Fund to the changes in its reference index. This document is issued by BOCI-Prudential Asset Management Limited and has not been reviewed by the SFC.

**Fund Manager & Factsheets Issuer: BOCI-Prudential Asset Management Limited**