

Important Notes:

- Investment involves risks and the BOCHK China Equity 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, single country and concentration risk, emerging market/ PRC market risk, equity market risk, risk associated with high volatility of the equity market in Mainland China, risk associated with regulatory/ exchanges requirements/ policies of the equity market in Mainland China, risks associated with Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, "Shanghai and Shenzhen Connect"), foreign exchange and RMB currency and conversion risks, risk of investing in ELLs, risks relating to investment in ETFs, PRC tax risk, cross-class liability risk, derivative instruments risk and potential conflicts of interest.
- Investing in emerging markets/ the PRC market, may involve increased risks and special considerations not typically associated with investment in more developed markets.
- The relevant rules and regulations on Shanghai and Shenzhen Connect are subject to change which may have potential retrospective effect. Each of Shanghai and Shenzhen Connect is subject to a set of Daily Quota, which does not belong to the Sub-Fund and can only be utilized on a first-come-first serve basis. Where a suspension in the trading through the programme is effected, the Sub-Fund's ability to invest in A shares or access the PRC market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.
- As the Sub-Fund may invest in A Shares indirectly through ELLs, the Sub-Fund is exposed to the risks relating to investment in ELLs:
 - Credit risk: If any one of the ELLs issuers fails to perform its obligations under the ELLs, the Sub-Fund may suffer losses potentially equal to the full value of the instrument issued by the relevant issuer. Any such loss would result in the reduction in the Net Asset Value of the Sub-Fund and impair the ability of the Sub-Fund to achieve its investment objective.
 - Illiquidity risk: There may not be an active market for those ELLs which are not listed or quoted on a market. Even if the ELLs are quoted, there is no assurance that there will be an active market for them. Therefore investment in ELLs can be highly illiquid.
 - QFII risk: The issuance of the ELLs depends on the ability of the QFII to buy and sell A shares. The availability of QFII investment quota and any restrictions or any change in the QFII laws and regulations may adversely affect the issuance of ELLs and impair the ability of the Sub-Fund to achieve its investment objective.
- The Sub-Fund is subject to PRC tax risk. There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised via Shanghai and Shenzhen Connect or ELLs on the Sub-Fund's investments in the PRC. Any future changes in the taxation policies in respect of QFII's or the Sub-Fund's investment in A shares in the PRC will impact on the Sub-Fund's returns. 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.
- Please refer to offering document of the Sub-Fund for further details including investment objectives and policies, charges and expenses, and risk factors (especially for the parts relating to Shanghai and Shenzhen Stock Connect, ELLs and QFII), before making any investment decision.

CUMULATIVE PERFORMANCE [Gross Distribution Reinvested]

Sub-Fund — Class A	3 Months		Year to date		1 Year		3 Years		5 Years		Since Inception	
	HKD Units	USD Units	HKD Units	USD Units	HKD Units	USD Units	HKD Units	USD Units	HKD Units	USD Units	HKD Units	USD Units
Reference Index [▲]	9.96%	9.89%	4.46%	4.41%	39.33%	39.97%	21.79%	22.86%	116.48%	116.90%	854.95%	34.03%
	8.66%	8.59%	5.72%	5.67%	41.70%	42.35%	29.04%	30.17%	149.81%	150.41%	1,124.03%	55.46%

CALENDAR YEAR PERFORMANCE

	Sub-Fund — Class A		Reference Index [▲]	
	HKD Units	USD Units ⁽¹⁾	HKD Units	USD Units ⁽¹⁾
2016	-0.96%	-1.00%	0.94%	0.90%
2017	44.90%	43.72%	55.34%	54.07%
2018	-20.06%	-20.19%	-18.75%	-18.88%
2019	21.01%	21.60%	22.87%	23.46%
2020	26.38%	27.00%	28.86%	29.49%

TOP 10 HOLDINGS

1	TENCENT HOLDINGS LTD	8.8%
2	CHINAAMC CSI 300 IDX ETF-HKD	8.5%
3	ALIBABA GROUP HOLDING LTD	8.3%
4	MEITUAN-W-CLASS B	5.9%
5	JD.COM INC-CL A	3.2%
6	PING AN INSURANCE GROUP CO-H	2.8%
7	BAIDU INC-SPON ADR	2.7%
8	CHINA CONSTRUCTION BANK-H	2.7%
9	PINDUODUO INC-ADR	2.1%
10	NETEASE INC	1.8%

FUND DATA (Class A)

Investment Manager	Alan CHAN & Team	
Fund Size (Million)	HKD 5,118.41	
Inception Date	Class A – HKD Units	Class A – USD Units
	25 October 2002	4 May 2015
Base Currency	HKD	
Currency Class	HKD / USD	
Management Fee (p.a.)	1.5%	
Initial Charge	5%	
Switching Fee	Class A – HKD Units	Class A – USD Units
	1%▲ or Nil▲▲	1%▲ or Nil▲▲
NAV per unit	HKD 95.4945	USD 12.3102
12 Months NAV ^{††}	Highest: HKD 96.2291	USD 12.4105
	Lowest: HKD 63.1634	USD 8.1492
Morningstar Overall Rating ^{™†††}	Class A – HKD Units ★★	Class A – USD Units –
Risk Level [*]	High	
Standard Deviation	Class A – HKD Units	Class A – USD Units
	19.27%	19.29%
Beta	Class A – HKD Units	Class A – USD Units
	0.97	0.97
Bloomberg Tickers	Class A – HKD Units BOCCHQ HK EQUITY	
	Class A – USD Units BOCCHU HK EQUITY	
ISIN Codes	Class A – HKD Units HK0000039716	
	Class A – USD Units HK0000250867	

INVESTMENT OBJECTIVES AND POLICIES

The BOCHK China Equity Fund aims to provide investors with long-term capital growth through investment mainly (i.e. at least 70% of its non-cash assets) in the listed equities and equity related securities (including warrants and convertible securities) of companies whose activities are closely related to the economic development and growth of the economy of the People's Republic of China ("PRC"). The Sub-Fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised collective investment schemes ("CISs") (including CISs managed by the Manager) and/or exchange traded funds ("ETFs") listed on the Stock Exchange of Hong Kong Limited ("SEHK") (including ETFs managed by the Manager). The Sub-Fund may also invest (a) up to 20% of its Net Asset Value in A shares (i) directly through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect; and/or (ii) indirectly through investment in equity linked instruments ("ELIs") (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with qualified foreign institutional investors ("QFII") status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager); and/or (b) up to 15% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China. The aggregate exposure to the A shares and B shares market will not exceed 20% of the Sub-Fund's Net Asset Value. The Sub-Fund may also invest in other PRC-related securities listed or quoted outside Mainland China and Hong Kong if such securities are issued by companies which are related to the economic growth or development of the PRC. These securities may be listed on various stock exchanges including but not limited to stock exchanges in the United States, London or Singapore, such as ADRs (American Depository Receipts) and GDRs (Global Depository Receipts).

MANAGER'S COMMENT^{##}

On Market

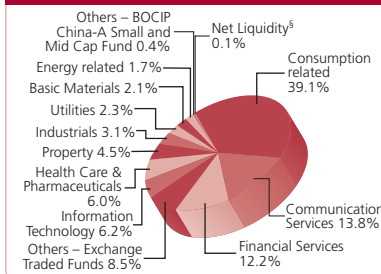
In China, January's manufacturing and non-manufacturing PMI retreated to 51.3 and 52.4 respectively, primarily because the government re-imposed lockdown measures, in response to a resurgence of COVID-19 cases. Railway transportation before the Chinese New Year (CNY) holiday slumped 68.8%, as many workers were to stay in their working locations. More factories decided to keep operating during the holiday this year, contributing to the strong credit demand from the manufacturing side. Decent mortgage growth also supported new loans to rise from RMB1,260bln in December to RMB3,580bln in January. Meanwhile, PPI turned positive for the first time in twelve months, mainly driven by the mining sector recovery. After the holiday, the PBoC unexpectedly withdrew liquidity, worrying the market that a new monetary tightening cycle has started. 12-month onshore RMB forwards suggested the RMB to depreciate 2.5% at end-February, as same as the expectations at end-January.

Major mainland equities indices retreated in February after a short-lived CNY rally. Most indices revived the deflated rally of January and refreshed their respective intra-month high again in early February, coincidentally with PBoC's renewed liquidity injection prior to the CNY market closure. Sporadic resurgence of COVID-19 cases and certain SOE solvency issues in China did not waver the festive mood, and the optimism of full-scale economic recovery boosted another rebound of lagging sectors like Energy and Basic Materials. However, concerns of pre-mature macro tightening emerged in China after the holiday, and the mainland rally finally derailed following the bond yields related turmoil in U.S. markets by end-February. The tech-savvy and start-up tilted Shenzhen Composite and ChiNext Index reversed all of their intra-month and January's gain after posting a -1.8% and -6.9% decline in February, while the large-cap dominant Shanghai Composite and CSI300 Index performed slightly better with a +0.8% gain and -0.3% decrease respectively. Hang Seng H-share and Red-chip Index outperformed most of their mainland peers with a +0.3% and +5.2% return in February, mainly led by the surge of several Communication Services, Energy, and Property related heavyweights.

On Portfolio

The Sub-Fund slightly outperformed the reference index's decline in February, mainly due to the contribution of Consumption and Energy related exposure. In coming months, the Sub-Fund would maintain a watchful stance and focus on sectors with high beneficial likelihood from government stimulus and healthy financial strength, and would also closely monitor: (i) evolution of the Sino-U.S. relationship and related geo-political issues; (ii) the development of global pandemic and the derived impacts; (iii) the impact of interest rate differential on RMB with reference to the latest trajectory of interest rate adjustment in U.S.; (iv) potential fund flows changes and/or stock preference corresponding to the Shanghai and Shenzhen-Hong Kong Stock Connect; and (v) the epidemic impact to major existing and former EU member states' economy and politics.

SECTOR ALLOCATION^{**}



The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 0.4% of the Sub-Fund's fund size.

Fund performance is calculated in the base currency of the Sub-Fund or the denominated currency of the relevant class of Units on a NAV-to-NAV basis with gross distribution reinvested.

⁽¹⁾ The calendar year performances for 2015 of Class A – USD Units refers to the period since inception (4 May 2015) to end-2015.

[†] Data Source – © 2021 Morningstar, Inc. All Rights Reserved.

[△] Starting from 1 January 2021, the reference index of the Sub-Fund has changed to "MSCI China 10/40 Index", and for the purpose of performance comparison with the Sub-Fund's Class A – HKD Units and Class A – USD Units, "MSCI China 10/40 Net Total Return HKD Index" and "MSCI China 10/40 Net Total Return USD Index" are respectively used for index performance calculation. From 1 January 2007 to 31 December 2020, "MSCI Daily TR Net Emerging Markets China" was used as the reference index of the Sub-Fund. Prior to 1 January 2007, "MSCI China Free Index" was used as the reference index of the Sub-Fund.

[◇] The Sub-Fund is approved as "Eligible Collective Investment Scheme" under "Capital Investment Entrant Scheme" ("CIES") of Hong Kong Special Administrative Region ("HKSAR"). The HKSAR Government has announced that the CIES has been suspended with effect from 15 January 2015 until further notice. The Immigration Department of HKSAR ("Immigration Department") will continue to process applications received on or before 14 January 2015, whether already approved (including approval-in-principle and formal approval) or still being processed. For further details and the related Frequently Asked Questions, please visit the website of the Immigration Department at http://www.immd.gov.hk/eng/services/visas/capital_investment_entrant_scheme.html.

^{**} With effect from 17 December 2018, sector classification methodology for the Sub-Fund has been updated slightly. Accordingly, the sector allocation has been restructured and the sector named "Telecom" has been replaced by "Communication Services".

[§] "Net Liquidity" was formerly named as "Cash & Deposit".

^{##} 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.

[◆] 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 31 December 2020 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.

^{††} 12 Months Highest / Lowest NAV per Unit was calculated by reference to the NAV per Unit on each month's last dealing day.

[▲] 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.

^{▲▲} For switching into Units of a 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. The data for "Standard Deviation", "Beta" and "Morningstar Overall Rating[™]" 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.