

# BOCHK INVESTMENT FUNDS

## BOCHK CHINA GOLDEN DRAGON FUND

November 2021 Issue  
(Data as of 29 October 2021)

### Important Notes:

- Investment involves risks and the BOCHK China Golden Dragon 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, foreign exchange and RMB currency and conversion risk, single country and concentration risk, emerging market/ the People's Republic of China ("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"), risk of investing in ELs, risks relating to investment in ETFs, PRC tax 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 ELs, the Sub-Fund is exposed to the risks relating to investment in ELs:
  - Credit risk: If any one of the ELs issuers fails to perform its obligations under the ELs, 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 ELs which are not listed or quoted on a market. Even if the ELs are quoted, there is no assurance that there will be an active market for them. Therefore investment in ELs can be highly illiquid.
  - QI risk: The issuance of the ELs depends on the ability of the QI to buy and sell A shares. Any restrictions or any change in the QI laws and regulations may adversely affect the issuance of ELs 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 ELs on the Sub-Fund's investments in the PRC. Any future changes in the taxation policies in respect of QI'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 the 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, ELs and QI), before making any investment decision.

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

	3 Months	Year to date	1 Year	3 Years	5 Years	Since Inception
Sub-Fund — Class A	-0.66%	-5.41%	11.02%	40.16%	28.40%	276.76%

### CALENDAR YEAR PERFORMANCE IN HKD

	Sub-Fund — Class A
2016	-23.88%
2017	29.63%
2018	-23.64%
2019	3.26%
2020	44.16%

### TOP 10 HOLDINGS

1	CONTEMPORARY AMPEREX TECHN-A	7.1%
2	SUNWODA ELECTRONIC CO LTD-A	4.8%
3	TENCENT HOLDINGS LTD	4.8%
4	WUXI APPTec CO LTD-A	4.3%
5	ALIBABA GROUP HOLDING LTD	4.1%
6	SUNGROW POWER SUPPLY CO LT-A	3.0%
7	RIYUE HEAVY INDUSTRY CO LT-A	3.0%
8	BYD CO LTD-H	2.9%
9	BAFANG ELECTRIC SUZHOU CO-A	2.9%
10	JD.COM INC-CL A	2.9%

### FUND DATA (Class A)

Investment Manager	BOCI-Prudential Asset Management Limited
Fund Size (Million)	HKD 1,088.76
Inception Date	21 May 2004
Base Currency	HKD
Management Fee (p.a.)	1.5%
Initial Charge	5%
Switching Fee	1%▲ or Nil▲
NAV per unit	HKD 37.6755
12 Months NAV**	Highest: HKD 41.5958 Lowest: HKD 35.4036
Morningstar Overall Rating***	★★★
Risk Level*	High
Standard Deviation	18.88%
Bloomberg Ticker	BOCHDR HK EQUITY
ISIN Code	HK0000039724

The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 0.8% of the Sub-Fund's fund size.

\* Data Source – © 2021 Morningstar, Inc. All Rights Reserved.

\*\* 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".

\*\*\* 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 (as defined in the Explanatory Memorandum).

▲▲ 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. 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™" 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**

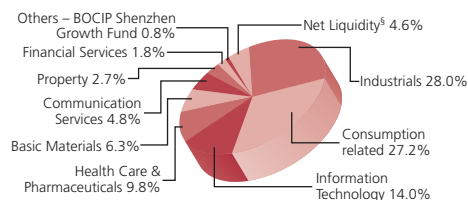
### INVESTMENT OBJECTIVES AND POLICIES

The BOCHK China Golden Dragon Fund seeks to provide investors with capital growth by investing in securities issued by or linked to companies which are related to the economy of the PRC. The Sub-Fund may invest 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 Investors/ Qualified Investors or QI ("QI") status in the PRC, exchange traded funds ("ETFs") listed on the Stock Exchange of Hong Kong Limited ("SEHK") (including ETFs managed by the Manager) and/or SFC authorised collective investment schemes ("CISs") (including CISs managed by the Manager), Hong Kong-listed stocks, H shares and/or shares of red-chip companies (directly and/or indirectly through investments in SFC authorised CISs (including CISs managed by the Manager)) and/or ETFs (including ETFs managed by the Manager) listed on the SEHK. The Sub-Fund may also invest in B shares listed on the stock exchanges in Mainland China. The Manager intends that the aggregate investment made by the Sub-Fund in the A shares market through Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect, ELIs, ETFs and/or SFC authorised CISs will not exceed 60% of the Sub-Fund's Net Asset Value. The Sub-Fund's exposure to B shares market will not exceed 15% of its 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 economy of the PRC. These securities may be listed on various stock exchanges in New York, London or Singapore, such as ADRs (American depository receipts) and GDRs (global depository receipts).

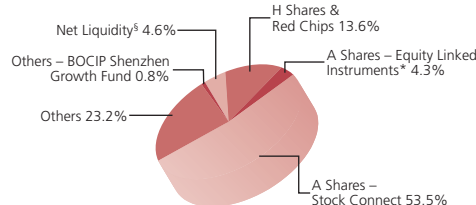
### MANAGER'S COMMENT\*\*

- Most mainland benchmark indices drifted narrowly and ended October with only marginal changes, as the return of watchful sentiment overshadowed the market after the National Day holiday.
- Despite a slew of negative headlines ranging from debt stress of property sector, power outage and the related coal prices fluctuation, residential property tax, sporadic resurgence of COVID, and softened third quarter GDP growth weighed on market sentiment, PBoC's sizeable liquidity injections in late October and reassurance of mortgage support to first-time home buyers largely fenced the market against these overhangs.
- The tech-savvy and start-up tilted ChiNext Index was the best performing index in October by posting a +3.3% gain, following by the +0.9% and +0.2% of CSI300 and Shenzhen Composite Index, whereas large-cap dominant Shanghai Composite Index marked a -0.6% decline.
- Comparing to their mainland peers, Hang Seng H-share Index rose +2.7% but Hang Seng Red-chip Index reported a -2.3% return in October, as several H-share Information Technology titans rebounded while major Energy and Property related Red-chip heavyweights declined during the month.
- Exposure in Industrials and Consumption related sectors added value to the Sub-Fund in October.

### SECTOR ALLOCATION\*\*



### COMPOSITION



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

\* The Sub-Fund may invest in A Shares through investments in ELIs issued by institutions with the QI status in the PRC. Please refer to the Explanatory Memorandum for further details of the Sub-Fund and pay particular attention to the "Risk Factors" section, especially for the parts relating to ELIs and QI, before making any investment decision.