

BOCHK INVESTMENT FUNDS

BOCHK CHINA GOLDEN DRAGON FUND

October 2023 Issue
(Data as of 29 September 2023)

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, currency risk, 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 ELLs, risks relating to investment in ETFs, PRC tax risk, derivative instruments risk, potential conflicts of interest, risk relating to those class(es) of units denominated in a currency other than the base currency and cross-class liability risk.
- 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.
 - QI risk: The issuance of the ELLs 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 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 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, ELLs and QI), before making any investment decision.

CUMULATIVE PERFORMANCE [Gross Distribution Reinvested]

Sub-Fund — Class A	HKD Units	3 Months [#]	Year to date [#]	1 Year [#]	3 Years	5 Years	Since Inception [#]
	RMB Units	-3.58%	-12.84%	-5.41%	-32.71%	-23.09%	117.08%
		—	—	—	—	—	—

CALENDAR YEAR PERFORMANCE

	Sub-Fund — Class A	
	HKD Units	RMB Units
2018	-23.64%	N/A
2019	3.26%	N/A
2020	44.16%	N/A
2021	-11.68%	N/A
2022	-29.21%	N/A

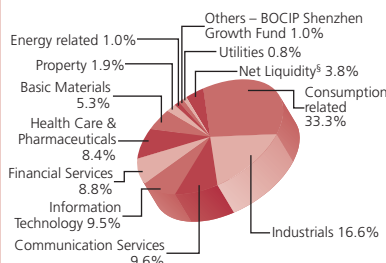
TOP 10 HOLDINGS

1	TENCENT HOLDINGS LTD	6.5%
2	ALIBABA GROUP HOLDING LTD	5.8%
3	BYD CO LTD-H	3.3%
4	KWEICHOW MOUTAI CO LTD-A	3.2%
5	MEITUAN-W-CLASS B	3.1%
6	CONTEMPORARY AMPEREX TECHN-A	2.7%
7	CHINA MENGNIU DAIRY CO	2.0%
8	SHENZHEN INNOVANCE TECHNOLO-A	1.8%
9	WILL SEMICONDUCTOR CO LTD-A	1.8%
10	WANHUA CHEMICAL GROUP CO -A	1.7%

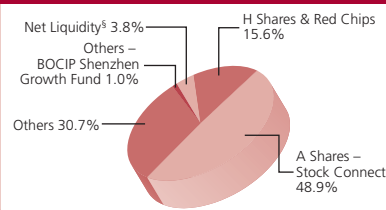
FUND DATA (Class A)

Investment Manager	BOCI-Prudential Asset Management Limited	
Fund Size (Million)	HKD 673.67	
	Class A – HKD Units	Class A – RMB Units
Inception Date	21 May 2004	3 July 2023
Base Currency	HKD	
Currency Class	HKD/RMB	
Management Fee (p.a.)	1.5%	
Initial Charge	5%	
Switching Fee	1%▲ or Nil▲▲	
	Class A – HKD Units	Class A – RMB Units
NAV per unit	HKD 21.7075	RMB 20.1938
12 Months NAV**	Highest: HKD 27.7959	—
	Lowest: HKD 20.5055	—
Morningstar Overall Rating***	★★	—
Risk Level*	High	—
Standard Deviation	25.46%	—
Bloomberg Ticker	BOCGHDR HK EQUITY	BOCGDFA HK Equity
ISIN Code	HK0000039724	HK0000938396

SECTOR ALLOCATION**



COMPOSITION



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

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, ELLs, 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**

- In September, China equity markets experienced further declines driven by lack of decisive policy executions and rising US dollar resulting from Fed's persistently hawkish policy stance. Despite better-than-expected China's macro data in August, a second 25bps RRR cut and further relaxation of property policies in tier 1 cities, private sector sentiment remained cautious and waits for more signs of improvement.
- August macro data show some initial signs of stabilization with broad-based recovery across industrial sectors and marginal improvement from retail sales and housing-related consumption. Following the relaxation of mortgage restrictions in tier 1 cities, major tier-2 cities started easing or scrapping housing purchase restrictions. However, the effectiveness of the property easing measures has yet to be seen.
- China financial regulator has rolled out plans and incentives to urge companies to pay more dividends. And PBoC announced a 25bps RRR cut on 14 September. NBS manufacturing PMI rose to 50.2 in September, returning to expansionary territory for the first time since March, led by slower destocking and stabilized construction.
- In September, mainland indices declined with Shanghai Composite, Shenzhen Composite and CSI 300 reported -0.3%, -1.9% and -2.0% loss respectively. Meanwhile, Hang Seng China Enterprise Index and Tech Index declined with -2.9% and -6.2% loss respectively. Sector wise, Energy, Financials and Health Care outperformed while Real Estate, Information Technology and Communication Services underperformed.
- With regard to the Sub-Fund, sector exposures in Health Care & Pharmaceuticals and Information Technology were the prime relative performance contribution in September, while sector exposures in Industrials and Consumption related were the major performance detractor of the month.

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The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 1.0% of the Sub-Fund's fund size.

[†] Data Source – © 2023 Morningstar, Inc. All Rights Reserved.

3-Months, Year-to-Date and Since-Inception performance of the Sub-Fund's Class A – RMB Units will be shown starting from February 2024 Issue, while 1-Year performance will be shown starting from August 2024 Issue.

** 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 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.

^{††} 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.