

BOCHK INVESTMENT FUNDS

BOCHK HONG KONG EQUITY FUND[†]

October 2023 Issue
(Data as of 29 September 2023)

Important Notes:

- Investment involves risks and BOCHK Hong Kong 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, equity market risk, concentration risk, foreign exchange and RMB currency and conversion risks, derivative instruments risk and cross-class liability 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 [Gross Distribution Reinvested]

Sub-Fund — Class A	HKD Units	3 Months	Year to date	1 Year	3 Years	5 Years	Since Inception
	RMB Units [▲]	-4.79%	-8.42%	4.41%	-21.66%	-27.72%	230.31%
Hang Seng Total Return Index [▲]	HKD Units	-4.59%	-3.89%	6.95%	-16.77%	-23.48%	-4.30%
	RMB Units	-4.19%	-6.82%	7.19%	-16.48%	-24.47%	251.09%
	RMB Units	-3.99%	-2.22%	9.79%	-11.27%	-20.03%	6.01%

CALENDAR YEAR PERFORMANCE

	Sub-Fund — Class A		Hang Seng Total Return Index ^A	
	HKD Units	RMB Units	HKD Units	RMB Units
2018	-12.55%	-7.89%	-10.54%	-5.77%
2019	12.62%	14.72%	13.04%	15.15%
2020	2.67%	-3.76%	-0.29%	-6.54%
2021	-13.47%	-15.77%	-11.83%	-14.17%
2022	-14.82%	-7.42%	-12.54%	-4.95%

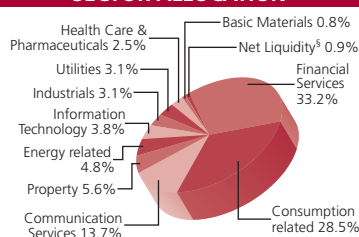
TOP 10 HOLDINGS

1	HSBC HOLDINGS PLC	8.8%
2	ALIBABA GROUP HOLDING LTD	8.5%
3	TENCENT HOLDINGS LTD	7.6%
4	AIA GROUP LTD	6.6%
5	MEITUAN-W -CLASS B	5.8%
6	CHINA CONSTRUCTION BANK-H	4.3%
7	CHINA MOBILE LTD	3.7%
8	HONG KONG EXCHANGES & CLEAR	3.2%
9	PING AN INSURANCE GROUP CO-H	2.7%
10	IND & COMM BK OF CHINA-H	2.5%

FUND DATA (Class A)

Investment Manager	BOCI-Prudential Asset Management Limited	
Fund Size (Million)	HKD 1,734.87	
Inception Date	Class A – HKD Units	Class A – RMB Units
	12 July 2002	29 June 2015
Base Currency	HKD	
Currency Class	HKD / RMB	
Management Fee (p.a.)	1%	
Initial Charge	5%	
Switching Fee	Class A – HKD Units	Class A – RMB Units
	1% or Nil ^{▲▲}	1% or Nil ^{▲▲}
NAV per unit	HKD 33.0311	RMB 30.7279
12 Months NAV ^{††}	Highest: HKD 39.6480	RMB 34.1764
	Lowest: HKD 27.1017	RMB 25.3072
Morningstar Overall Rating ^{™††}	Class A – HKD Units ★★	Class A – RMB Units ★★
Risk Level [*]	High	
Standard Deviation	Class A – HKD Units	Class A – RMB Units
	25.20%	21.38%
Beta	Class A – HKD Units	Class A – RMB Units
	0.97	0.97
Bloomberg Tickers	Class A – HKD Units	BOCKHEA HK EQUITY
	Class A – RMB Units	BOCHKYA HK EQUITY
ISIN Codes	Class A – HKD Units	HK0000039799
	Class A – RMB Units	HK0000257672

SECTOR ALLOCATION^{**}



INVESTMENT OBJECTIVES AND POLICIES

The BOCHK Hong Kong Equity Fund seeks to achieve long-term capital growth through investment mainly (at least 70% of its non-cash assets) in the listed equities and equity related securities (including warrants and convertible securities) of companies operating principally in Hong Kong, or linked either directly or indirectly to the Hong Kong economy. The Sub-Fund may employ a portion of its assets in futures contracts, options or forward currency transactions for the purposes of efficient portfolio management and hedging against exchange rate risk.

MANAGER'S COMMENT^{##}

- Hang Seng Index (HSI) dropped further in September and refreshed a new low of the year. China property sector weakness and softness of RMB continued to fuel market worries over China's growth prospect. Market also seems to be watchful and waiting for more data to gauge the effectiveness of the slew of property related supportive and relaxation measures that have been rolled out.
- Hong Kong's retail sales in August fell on a month-over-month basis but local labor market continued to be resilient for the three months ended August. Banks raised their mortgage rates ceiling level, which continue to weigh on local property market. Official home price index extended declines in August, while rental index continued to climb higher.
- HSI Finance Sub-index outperformed in September, supported by increasingly attractive dividend payouts and valuation. The Properties sub-index underperformed again, as China housing market woes persisted.
- With regard to the Sub-Fund, Information Technology related exposure was the leading relative performance contribution in September while Consumption and Financial Services related exposure being the main performance detractor of the month.
- Several China's August macro data unexpectedly reported marginal improvement when pessimism overwhelmed the market in September. While it might be pre-mature to dub as bottoming signals of growth slowdown, the Sub-Fund would closely monitor upcoming macro releases in China and third quarter corporate results reporting to gauge the underlying economic health. With more advocates demanding various relaxation of stamp duties in October's Policy Address in Hong Kong, the Sub-Fund would also closely track on the development of Hong Kong and mainland property market in coming months. Accordingly, the Sub-Fund would maintain its watchful stance and market neutral strategy, and continue to optimize its holding by refining exposure which would be negatively affected by the fallout of U.S. rate hike, and by increasing exposure on sectors that would be benefitted by China's various supportive measures, and long-term commitment on net-zero emission theme.

The value of the investment products managed by BOCI-Prudential Asset Management Limited represents 0.0% 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.

[▲] © 2023 Hang Seng Indexes Company Limited. All Rights Reserved. The Hang Seng Total Return Index is denominated in HKD. For the purpose of performance comparison with the Sub-Fund's Class A – RMB Units, index performance is also presented in CNH and calculated by referring to the foreign exchange rates for HKD/CNH quoted by WM/Reuters at 4:00 p.m. GMT on the corresponding dealing dates.

[†] Such Class A – RMB Units is only available to investors of Mainland China, and is not offered in Hong Kong.

^{††} Data Source – © 2023 Morningstar, Inc. All Rights Reserved.

[◆] 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 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. 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