

NCB

China Resources Opportunities Fund

Important Notes:

- Investment involves risks and NCB China Resources Opportunities 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, emerging market/ the People's Republic of China ("PRC") market risk, industry or sector risk, single country and concentration 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, the "Shanghai and Shenzhen Connect"), foreign exchange and RMB currency and conversion risks, risk of investing in equity linked instruments ("ELIs"), risks relating to investment in exchange traded funds ("ETFs"), PRC tax risk, derivative instruments risk, risk in relation to distribution 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 ELIs, the Sub-Fund is exposed to the risks relating to investment in ELIs:
 - Credit risk: If any one of the ELIs issuers fails to perform its obligations under the ELIs, 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 ELIs which are not listed or quoted on a market. Even if the ELIs are quoted, there is no assurance that there will be an active market for them. Therefore investment in ELIs can be highly illiquid.
 - Qualified Foreign Investors / Qualified Investors or QI ("QI") risk: The issuance of the ELIs 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 ELIs 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 ELIs 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.
- The Manager will normally make distributions out of net income received or receivable by the Sub-Fund. However, in the event that the net income is insufficient to pay the distributions that it declares, the Manager may also, in its absolute discretion, determine that such distributions be paid out of the capital of the Sub-Fund, or the Manager may, in its discretion, pay distributions out of its gross income while charging / paying all or part of the Sub-Fund's fees and expenses to / out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. This may reduce the capital that the Sub-Fund has available for investment in future and may constrain capital growth.
- Investors should be aware that in circumstances where distributions are paid out of capital or effectively out of capital, this amounts to a return or withdrawal of part of the amount investors originally invested or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of capital or payment of distributions effectively out of capital (as the case may be) may result in an immediate decrease in the Net Asset Value per Unit.
- 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, ELIs and QI), before making any investment decision.

INVESTMENT OBJECTIVES AND POLICIES

NCB China Resources Opportunities Fund seeks to capture medium to long-term capital appreciation opportunities through investment in a diversified portfolio of resources and energy related investment instruments that are related to the economic growth or development of the PRC. The Sub-Fund will mainly (at least 70% of its non-cash assets) invest in equities or equity-related securities primarily traded on the various stock markets in Asia Pacific. The Sub-Fund will 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 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 the Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect; and/or (ii) indirectly through investment in ELIs (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with QI 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**

- 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.
- The Sub-Fund raised its cash level to around 5.3% as it took opportunities to trim some Oil-related exposures, which benefited from recent high oil price as a result of extended supply cut by Russia and OPEC+ with lower than expected US inventories. The Sub-Fund closely monitors the strength of recovery of domestic demand in China. Commodity prices in China were seeing signs of bottoming, but it could be triggered by cyclical recovery from historical low industrial inventories. The Sub-Fund plans to observe a few more months of data to better assess the recovery trend.



2023
October Issue
(Data as of 29 Sep 2023)

Fund Manager & Factsheet Issuer:

BOCI-Prudential Asset Management Limited

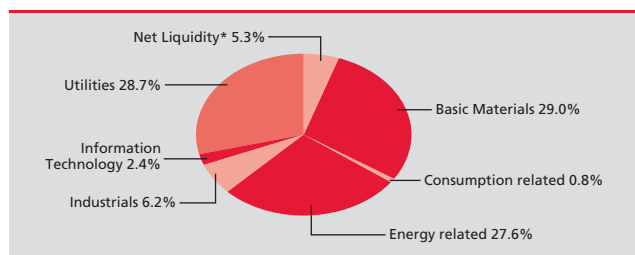
Source: BOCI-Prudential Asset Management Limited

**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.

Fund performance is calculated in sub-fund's base currency on NAV-to-NAV basis with gross distribution reinvested.

Investors should note that Nanyang Commercial Bank, 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.

This document is issued by BOCI-Prudential Asset Management Limited and has not been reviewed by the SFC.

SECTOR ALLOCATION[▼]

TOP 10 HOLDINGS (Equity)

1	CNOOC LTD	6.0%
2	CANVEST ENVIRONMENTAL PROTEC	5.7%
3	PETROCHINA CO LTD-H	5.5%
4	CHINA SHENHUA ENERGY CO-H	5.1%
5	CHINA PETROLEUM & CHEMICAL-H	5.1%
6	KUNLUN ENERGY CO LTD	4.4%
7	CHINA OILFIELD SERVICES-H	4.4%
8	CHINA BLUECHEMICAL LTD-H	3.7%
9	BEIJING ENTERPRISES HLDGS	3.5%
10	ENN ENERGY HOLDINGS LTD	3.2%

FUND DATA (Class A)

Investment Manager	BOCI-Prudential Asset Management Limited
Fund Size (Million)	HKD128.19
Inception Date	31 October 2007
Base Currency	HKD
Management Fee (p.a.)	1.75%
Initial Charge	5%
Switching Fee	1%▲ or Nil▲▲
Distribution	Aim to make distributions annually [^] (Distribution rate is not guaranteed; distributions may be paid out of capital. Please note points 7 & 8 of Important Notes)
Latest Distribution History [^]	Record Date: 30 September 2023 Distribution Per Unit: HKD0.1470
NAV per unit	HKD4.8969
12 Months NAV ^{††}	Highest: HKD5.4514 Lowest: HKD4.1294
Risk Level [*]	High
Bloomberg Ticker	NCBCNRO HK EQUITY
ISIN Code	HK0000041209

CUMULATIVE PERFORMANCE IN HKD [Gross distribution reinvested]

	3 Months (%)	Year to date (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Inception (%)
NCB China Resources Opportunities Fund — Class A	-1.66	-1.02	6.77	22.06	-5.48	-42.88

CALENDAR YEAR PERFORMANCE IN HKD

	2018 (%)	2019 (%)	2020 (%)	2021 (%)	2022 (%)
NCB China Resources Opportunities Fund — Class A	-6.82	6.23	-4.68	22.93	-14.54

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

◆ 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".

▲ For switching into Units of a 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.

^ The Manager may declare distributions for the Sub-Fund on an annual basis (subject to the Manager's discretion). Distributions will normally be paid out of net income and in the event that the net income is insufficient to pay the distributions, the Manager may determine in its absolute discretion that such distributions be paid out of the capital of the Sub-Fund, or the Manager may, in its discretion, pay distributions out of their gross income while charging/paying all or part of the Sub-Fund's fees and expenses to/out of the capital of the Sub-Fund, resulting in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. The Manager has discretion as to whether or not to make any distributions for the Sub-Fund, the frequency of distributions, the dates and the amount of distributions. The Manager also has the discretion to determine if and to what extent distributions will be paid out of capital of the Sub-Fund. Please also refer to the Manager's website for the composition of the latest distribution (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital). Information contained in the website of the Manager has not been reviewed by the SFC.

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

◆ 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.

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