

PRODUCT KEY FACTS

BOCHK China Consumption Growth Fund

a sub-fund of
the BOCHK Investment Funds

15 June 2011

Issuer: BOCI-Prudential Asset Management Limited

- ***This statement provides you with key information about this product.***
- ***This statement is a part of the offering document.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Fund Manager:	BOCI-Prudential Asset Management Limited (the “Manager”)
Trustee and Registrar:	BOCI-Prudential Trustee Limited
Dealing frequency:	Daily (Hong Kong business days, other than Saturdays)
Base currency:	Hong Kong Dollars
Distribution policy:	The Manager does not intend to make distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund.
Financial year end:	31 March
Minimum investment:	Initial: HK\$10,000 Addition: HK\$10,000

What is this product?

BOCHK China Consumption Growth Fund (the “Sub-Fund”) is a sub-fund under the BOCHK Investment Funds, which is an umbrella unit trust established under the laws of Hong Kong.

Objectives and Investment Strategy

Objectives

The Sub-Fund seeks to provide investors with long-term capital growth by investing primarily in listed equities or equity-related securities (including warrants and convertible securities) issued by or linked to companies which activities relate to the consumer industry in Hong Kong and/or Mainland China.

Strategy

The Sub-Fund may invest in A shares (through investments in equity linked instruments (“ELIs”) issued by institutions with qualified foreign institutional investors (“QFII”) status in Mainland China), B shares listed on the stock exchanges in Mainland China, H shares and shares of red-chip companies listed on the Stock Exchange of Hong Kong Limited.

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 PRC's consumption sector. These securities may be listed on the stock exchanges in New York, London or Singapore, such as ADRs (American depository receipts) and GDRs (global depository receipts).

The Manager intends that investment made by the Sub-Fund indirectly in the A share market (through ELIs) will not exceed 40%.

The Manager may also invest in convertible bonds, pre-IPO stocks of companies which are related to the consumer sector industry of the PRC and may hold cash, deposits, certificates of deposit, treasury bills, debt securities or other instruments for the account of the Sub-Fund.

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.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. Investment risk

The Sub-Fund is an investment fund. The Sub-Fund's investment portfolio may fall in value and therefore, investors' investment in the Sub-Fund may suffer losses. There is no guarantee in respect of repayment of principal.

2. Concentration risk

The Sub-Fund mainly focuses its investments on business related to the economy of Hong Kong and/or Mainland China and Hong Kong which increases the Sub-Fund's vulnerability to the economic, political or regulatory or tax developments of Hong Kong and/or Mainland China. This may also result in greater volatility than portfolios which comprise broad-based global investments.

3. Emerging market risk

Investing in emerging markets involves special risks and considerations due to, among other factors, greater political, tax, economic, government control and intervention, foreign exchange, liquidity, legal and regulatory risks. These factors may have an adverse impact on the performance of the Sub-Fund.

4. Exchange rate risk

As the Sub-Fund is denominated in Hong Kong dollars, investments denominated in currency or currencies other than Hong Kong dollars may expose the Sub-Fund to the exchange rate risk and fluctuation. Also, investors who wish to receive redemption proceeds in a currency other than Hong Kong dollars will have to convert (whether through Manager or otherwise) the proceeds to such other currency. In so doing, the investors will again be subject to the exchange rate risk and the costs of the currency conversion.

5. Risk of investing in ELIs

- *Credit risk*: The Sub-Fund is exposed to the credit risk of the issuers of the ELIs. 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.

6. QFII risk

The Sub-Fund's exposure to the PRC market depends on the ability of the QFII to buy and sell A Shares. The availability of QFII investment quota and any restrictions or any changes in the QFII laws and regulations may adversely affect the issuance of ELIs and impair the ability of the Sub-Fund to achieve its investment objective.

7. Mainland China tax risk

- The Sub-Fund is the ultimate party which will bear the potential capital gain tax liability in respect of ELIs held by the Sub-Fund, which if levied, shall be deducted from the value of ELIs and this will have an impact on the Net Asset Value of the Sub-Fund. At present, no tax provision has been made in respect of such potential capital gain tax liability of the Sub-Fund.
- *Withholding Tax* - Dividends and interest income derived from investment in B shares, H shares or certain red chips shares by the Sub-Fund are subject to the withholding tax imposed by the PRC tax authorities which may reduce the income from the Sub-Fund and will have an impact on the performance of the Sub-Fund.

8. Derivative instruments risk

The Sub-Fund may use derivatives as one of its investment strategies. Derivatives may be more sensitive to changes in economic or market conditions and could increase the Sub-Fund's volatility or expose the Sub-Fund to losses that exceed the cost of the derivatives.

Is there any guarantee?

The Sub-Fund does not provide any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

At present, only Class A Units will be offered for subscription by investors. Summary of fees and charges for Class A Units of the Sub-Fund is listed below.

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

<i>Fee</i>	<i>What you pay</i>
Initial charge	Up to 5% of the issue price
Switching fee <i>(as a % of the issue price of the New Class of Units to be issued)</i>	For switching into Units of a Sub-Fund which is not a Money Market Sub-Fund :1% For switching into Units of a Money Market Sub-Fund :Nil
Redemption charge	Nil

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

	<i>Annual rate (as a % of the Sub-Fund's Net Asset Value)</i>
Management fee	1.8% (current and maximum)
Trustee fee	0.125% on the first HK\$200 million; 0.10% on the next HK\$200 million; 0.0875% on the remaining balance; Subject to a minimum monthly fee of HK\$20,000 and up to a maximum of 1%*.
Performance fee	Nil
Administration fee	Nil

* You should note that some fees may be increased, up to a specified permitted maximum, by giving Unitholders at least three months' prior notice.

Other fees

Please note that other fees and expenses may also be deducted from the Sub-Fund. For details, please refer to the section "Charges and Expenses" on pages 25 to 30 of the Explanatory Memorandum.

Additional Information

- You generally buy and/or redeem Units of the Sub-Fund at the Sub-Fund's next determined Net Asset Value after the Manager receives your request in good order on or before 5:00 p.m. (Hong Kong time)(the Dealing Deadline) on the relevant Dealing Day (which is generally Hong Kong Business Day (except Saturdays) or such other day or days as the Manager and the Trustee may agree from time to time).
- Applications could also be placed through other authorized fund distributors or through other authorized means as may from time to time specified by the Manager in the Manager's website (www.boci-pru.com.hk) and different dealing procedures, such as earlier application or payment cut-off time may be involved. Applicants should consult the relevant fund distributors or the Manager to find out the dealing procedures that are applicable to them.
- The Net Asset Value per unit of the Sub-Fund is calculated and will be published on each Dealing Day in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.
- Information of the Sub-Fund can be found at the Manager's website (www.boci-pru.com.hk).

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.