

PRODUCT KEY FACTS

**BOCHK Hong Kong Dollar Income 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**

<b>Fund Manager:</b>	BOCI-Prudential Asset Management Limited (the “Manager”)
<b>Trustee and Registrar:</b>	BOCI-Prudential Trustee Limited
<b>Dealing frequency:</b>	Daily (Hong Kong business days, other than Saturdays)
<b>Base currency:</b>	Hong Kong Dollars
<b>Distribution policy:</b>	Distribution on a semi-annual basis (end of March and September each year) at the Manager’s discretion, having regard to the net income and provided that there is distribution income for that period. Amount of distribution (if any) may go up or go down. The Manager retains the absolute discretion to determine the frequency and dates for distribution.
<b>Financial year end:</b>	31 March
<b>Minimum investment:</b>	Initial : HK\$10,000 Addition : HK\$10,000

**What is this product?**

BOCHK Hong Kong Dollar Income 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**

The Sub-Fund is an income fund which seeks to provide a stable income stream and long-term capital appreciation through a portfolio which mainly consists of Hong Kong dollar denominated investment grade bonds (rated Baa3 or better by Moody’s or other credit rating agency of similar standing).

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. The Sub-Fund will not be engaged in any securities lending activities.

## 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. **Interest rate risk**

As the Sub-Fund may invest in instrument whose value is driven significantly by changes in interest rates, the Sub-Fund is subject to interest rate risk. When interest rates rise, the value of previously issued debt securities will normally fall because new debt securities issued will pay a higher rate of interest. In contrast, if interest rates fall, then the value of the previously issued debt securities will normally rise.

3. **Market risk**

Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation etc. which may have significant impact on the value of the investments.

4. **Credit and counterparty risk**

If the issuers of any of the fixed interest securities in which the Sub-Fund's assets are invested defaults, the performance of the Sub-Fund will be adversely affected. Changes in a debt issuer's credit rating may affect a debt instrument's value and may also have an impact on the Sub-Fund's performance.

5. **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.

6. **Tax risk**

Dividends and certain interests or other income paid to the Sub-Fund may be subject to tax on trading profits or on certain securities transaction, transfer or stamp duty or withholding tax which may negatively impact on the Sub-Fund's performance and distributions (if applicable) that the Unitholders may receive from the Sub-Fund.

## 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.

<b>Fee</b>	<b>What you pay</b>
<b>Initial charge</b>	Up to 3% of the issue price
<b>Switching fee</b> <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
<b>Redemption charge</b>	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.

	<b>Annual rate (as a % of the Sub-Fund's Net Asset Value)</b>
<b>Management fee</b>	0.5% (current and maximum)
<b>Trustee fee</b>	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%*.
<b>Performance fee</b>	Nil
<b>Administration fee</b>	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](http://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](http://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.