

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>	The Manager does not intend to make distributions for the Sub-Fund. Income earned will be reinvested in the Sub-Fund.
<b>Financial year end:</b>	31 March
<b>Minimum investment:</b>	Initial : HK\$10,000 Addition : HK\$10,000

#### What is this product?

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

#### Objectives and Investment Strategy

##### Objectives

The Sub-Fund is an equity fund which aims to provide investors with long-term capital growth through investment mainly in the listed equities and equity related securities (including warrants and convertible securities) of companies whose activities are closely related to or benefit from the economic development and growth of the economy of Mainland China and Hong Kong.

##### Strategy

The Sub-Fund will invest mainly in the listed equities and equity related securities (including warrants and convertible securities) and may also invest in instruments like ADRs (American depository receipts) and GDRs (global depository receipts) for securities listed on the stock exchanges in New York, London or Singapore, etc. if such securities are issued by companies which are related to the economy of Mainland China and Hong Kong.

The Manager also holds cash, deposits, certificates of deposit, treasury bills, bonds, other debt securities, collective investment schemes, equity linked notes or other instruments for the account of the Sub-Fund.

This 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 investment instruments that are related to the economic growth or development of Mainland China and Hong Kong which increases the Sub-Fund's vulnerability to the economic, political or regulatory or tax developments of the Mainland China and Hong Kong. This may also result in greater volatility than portfolios which comprise broad-based global investments.

**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. Usually, emerging markets tend to be more volatile than developed markets and may experience substantial price volatility. Options, warrants and derivatives in the Sub-Fund may also expose the Sub-Fund significantly to the fluctuations in the market. Market movement may therefore result in substantial fluctuation in the Net Asset Value per Unit of the Sub-Fund.

**4. 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. Changes in PRC tax policies may affect adversely the performance of companies with activities closely related to the economic development of the PRC. Any change in the tax laws may reduce the income and therefore affect the Net Asset Value of the Sub-Fund.

**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. Credit and counterparty risk**

The issuer, guarantor or counterparty to a financial instrument in which the Sub-Fund invests may default on its payment obligations or otherwise be unwilling or unable to honor its contractual obligations. This may affect the value of the investments or the amount that the Sub-Fund may receive from the financial instruments. The performance of the Sub-Fund may therefore be adversely affected.

**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 5% 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>	1.5 % (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 16 to 19 of the Explanatory Memorandum.

### **Additional Information**

- You generally buy and/or redeem and switch 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.