

## World Index Shares ETFs

W.I.S.E. – CSI 300 China Tracker®  
(Stock Code: 02827)

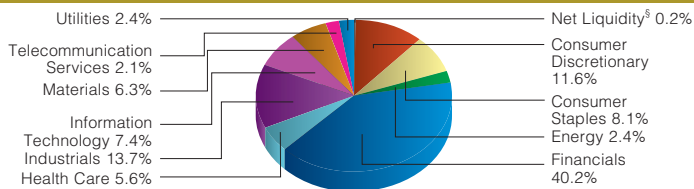
## IMPORTANT NOTES:

- Investment involves risks and W.I.S.E. – CSI 300 China Tracker® (the "Fund") may not be suitable for everyone. Past performance is not indicative of future performance. The 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 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 Fund is subject to include: general investment risk, the People's Republic of China ("PRC") market/emerging market risk/single country concentration risk, passive investment risk, tracking error risk, trading risks, trading differences risks, risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively, the "Shanghai and Shenzhen Connect"), risks associated with investment made through qualified foreign institutional investors ("QFII"), equity market risk, foreign exchange and RMB currency and conversion risks, legal and regulatory risk, PRC tax risk, termination risk, reliance on market maker risks, risk associated with investment in A-share access products ("AXP") (if any) and risk of conflicts of interests.
- The Fund invests in an emerging market, such as the PRC, which may involve increased risks and special considerations not typically associated with investment in more developed markets.
- The Fund may suffer substantial losses if there is insufficient QFII quota allocated for the Fund to make investments, the approval of the QFII is being revoked/terminated or otherwise invalidated as the fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including QFII custodian/brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of monies or securities).
- 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 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 Fund's ability to invest in A Shares or access the PRC market through the programme will be adversely affected. In such event, the Fund's ability to achieve its investment objective could be negatively affected.
- The Fund is subject to foreign exchange and RMB currency and conversion risks. The Fund may also be subject to bid/offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.
- Based on professional and independent tax advice, the Fund currently will not make the following tax provision (i.e. 10% withholding income tax provision on realised and/or unrealised capital gains from trading of A Shares by the Manager as QFII or by the Fund in investing in A Shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect). There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of capital gains realised in the PRC via trading of A Shares through Shanghai and Shenzhen Connect or the Manager's QFII or AXPs invested by the Fund (whether the AXPs previously invested with the Fund was a synthetic ETF or any AXPs that the Fund may invest in the future). Any future changes in the taxation policies will impact on the Fund's returns. It is possible that any future announcement by the PRC tax authority may subject the Fund to unforeseen tax obligations, which may have retrospective effect.
- Please refer to the offering document of the Fund for further details including investment objectives and policies, charges and expenses, risk factors and the arrangement in the event that the Fund is delisted, before making any investment decision.

## Investment Objectives and Policies

The Fund is an index-tracking exchange traded fund which seeks to track the performance of the CSI 300 Index (the "Index"). The Manager intends to achieve the investment objective of the Fund by investing primarily in certain eligible A Shares via Shanghai-Hong Kong Stock Connect and/or Shenzhen-Hong Kong Stock Connect (as the case may be) and/or in A shares via the Manager's QFII investment quota.

## Sector Allocation



## Fund Data

Fund Manager	BOCI-Prudential Asset Management Limited
Trustee	BOCI-Prudential Trustee Limited
Exchange Listing	SEHK - Main Board
Listing Date	17/7/2007
Base Currency	HKD
Trading Currency	HKD
Ongoing Charges Over a Year ▼	1.09%
Distribution (if any)	Aim to make distributions annually (if any) * (Distribution rate is not guaranteed)
Latest Distribution Record (Amount of Distribution per unit)	-
Trading Board Lot Size	200 Units
Fund Size (Million)	HKD 2,517.48
NAV per unit	HKD 39.8335
Website	www.boci-pru.com.hk

Please refer to the Prospectus for details of other fees and charges.

## Manager's Comment ▲

In February, Shanghai Composite Index decreased by 6.36% to close at 3259.41. CSI 300 Index dropped by 5.90% to close at 4023.64. Information Technology and Telecommunication outperformed the index, while Energy lagged the most.

People's Bank of China (PBOC) announced that China's foreign exchange reserves increased from \$3.140 trillion to \$3.162 trillion in January 2018 compare to the previous month. Beginning February, China stocks tumbled as a global market rout intensified, triggered by the inflationary pressures prompting central banks to raise rates faster than expected. On February 9, the Shanghai Composite Index dropped 4.05% and closed at 3129.85, while the blue-chip CSI 300 index ended down 4.27% at 3840.65.

RMB depreciated against USD during the month from 6.2888 at the end of January to 6.3310 at the end of February. In January, Consumer Price Index (CPI) rose by 1.5% year-on-year (YoY), compared with 1.8% in December. Food prices, which were the main contributors to the CPI, went down by 0.5% YoY. The Producer Price Index (PPI) for manufactured goods rose by 4.3% YoY in January, lower than the increase of 4.9% in December.

The China Federation of Logistics and Purchases released the Purchasing Managers' Index (PMI) for manufacturing, which was 50.3 (51.3 in January and 51.6 in December of last year). As of February 28, the NAV per unit of the Fund was HKD39.8335.

Top Ten Holdings	Invest through AXPs	Invest through QFII Investment Quota	Invest through Shanghai-HK Stock Connect	Invest through Shenzhen-HK Stock Connect	Total
1 PING AN INSURANCE GROUP CO-A	0.0%	0.0%	6.2%	0.0%	6.2%
2 KWEICHOW MOUTAI CO LTD-A	0.0%	0.0%	3.1%	0.0%	3.1%
3 CHINA MERCHANTS BANK-A	0.0%	0.0%	2.6%	0.0%	2.6%
4 MIDEA GROUP CO LTD-A	0.0%	0.0%	0.0%	2.1%	2.1%
5 GREE ELECTRIC APPLIANCES I-A	0.0%	0.0%	0.0%	2.1%	2.1%
6 INDUSTRIAL BANK CO LTD -A	0.0%	0.0%	1.9%	0.0%	1.9%
7 INNER MONGOLIA YILI INDUS-A	0.0%	0.0%	1.7%	0.0%	1.7%
8 CHINA MINSHENG BANKING-A	0.0%	0.0%	1.7%	0.0%	1.7%
9 BANK OF COMMUNICATIONS CO-A	0.0%	0.0%	1.5%	0.0%	1.5%
10 AGRICULTURAL BANK OF CHINA-A	0.0%	0.0%	1.4%	0.0%	1.4%

## Cumulative Performance (HKD)

	3 Months(%)	Year To Date (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Inception* (%)
Fund	4.60	2.53	26.66	12.89	38.47	4.28
Index	5.14	2.87	29.85	18.57	65.41	49.00

## Calendar Year Performance (HKD)

	2013(%)	2014(%)	2015(%)	2016(%)	2017(%)
Fund	-8.24	40.27	2.13	-17.26	30.09
Index	-2.55	51.95	2.13	-15.35	33.35

The fund performance is calculated in fund's base currency on NAV-to-NAV basis with gross distribution reinvested (Source: BOCI-Prudential Asset Management Limited). Starting from 1 July 2014, CSI 300 Total Return Index is replaced with CSI 300 Net Total Return Index for index performance calculation. (Source: China Securities Index Co., Ltd.). CSI 300 Net Total Return Index is denominated in RMB. For the purpose of performance comparison, index performance is presented in HKD and calculated by referring to the foreign exchange rates for RMB/ HKD quoted by Bloomberg – Bloomberg RMB (CNY) rate (Tokyo Composite) at 4:00 p.m. Hong Kong time on the corresponding dealing dates.

**IMPORTANT INFORMATION:** Investors should note that the Fund is different from a typical retail investment fund offered to the public in Hong Kong, in particular:

- The Units of the Fund may only be created and redeemed in Application Unit Sizes\* (as defined in the Prospectus) directly by Participating Dealer(s) or Eligible Investor(s) (as defined in the Prospectus);
- In-kind Creation Applications will be not accepted;
- There is risk related to divergence between the market price of the Units and the NAV of the Fund. The market price of the Units traded on the SEHK is determined not only by the NAV of the Fund but also by other factors such as the supply of and demand for the Units in the SEHK; and
- The Units may trade at a substantial premium or discount to the Fund's NAV.

▲ 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.

§ "Net Liquidity" was formerly named as "Cash".

▼ The ongoing charges figure is based on expenses for the period ended 30 June 2017. This figure may vary from year to year. The expenses include (without limitation) management fee and charges and payments deducted from the assets of the Fund on a periodic basis but do not include certain items such as payments to third parties regarding costs incurred in relation to the acquisition or disposal of any assets of the Fund and the holding of financial derivative instruments, withholding tax and capital gains tax.

\* Minimum 800,000 Units (or multiples thereof). Investors may buy or sell Units of the Fund through an intermediary such as a Stockbroker on the SEHK. The Trading Board Lot Size is 200 Units.

# Starting from Issue Aug 2013, the word "Listing" was replaced by "Inception".

◆ The Manager may in its discretion make distributions to Unitholders in each financial year as the Manager considers appropriate, having regard to the net income of the Fund. Distributions are not guaranteed and the Manager may in its sole and absolute discretion decide not to make any distributions in a financial year.

The information herein is based on sources believed to be reliable and the opinions contained herein are for reference only. BOCI-Prudential Asset Management Limited makes no representation, warranty or undertaking, whether express or implied, in relation to the information, projections or opinions in this document or the basis upon which any such projections or opinions have been based. All such information, projections and opinions are subject to change without notice. The document and the Manager's website have not been reviewed by the SFC.

Fund Manager, Data Source & Issuer: BOCI-Prudential Asset Management Limited

For further information, please call our enquiry hotline at 2280 8697.



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