

## PRODUCT KEY FACTS



### BOCOM International Fund - BOCOM International Dragon Core Growth Fund

BOCOM INTERNATIONAL  
ASSET MANAGEMENT  
LIMITED

May 2024

- *This statement provides you with key information about BOCOM International Dragon Core Growth Fund.*
- *This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of BOCOM International Fund – BOCOM International Dragon Core Growth Fund.*
- *You should not invest in this product based on this statement alone.*

#### Quick facts

<b>Manager:</b>	BOCOM International Asset Management Limited
<b>Trustee:</b>	Bank of Communications Trustee Limited
<b>Ongoing charges over a year#:</b>	3.30%#
<b>Dealing frequency:</b>	Daily
<b>Base currency:</b>	HK\$
<b>Dividend policy:</b>	No distributions of income
<b>Financial year end:</b>	31 December each year
<b>Minimum investment:</b>	HK\$10,000 minimum initial subscription HK\$2,000 minimum subsequent subscription
<b>Minimum holding:</b>	1,000 Units
<b>Minimum redemption:</b>	200 Units

# The ongoing charges figure is an estimate only and represents the sum of estimated ongoing expenses for the year ended 31 December 2024 expressed as a percentage of the estimated average net asset value over the same period. The actual figure may be different from the estimated figure and may vary from year to year. This figure is updated on the basis that there is an expected decrease in ongoing expenses during the year primarily due to reductions in transaction fees.

## **What is this product?**

- BOCOM International Dragon Core Growth Fund (the “Sub-Fund”) is a sub-fund of BOCOM International Fund (the “Fund”) which is a Hong Kong domiciled umbrella structure unit trust established by a trust deed dated 27 October 2010. It is governed by the laws of Hong Kong.

## **Objective and Investment Strategy**

### **Objective**

The Sub-Fund seeks to deliver long-term capital growth through investing principally in equities of companies that are listed on the Hong Kong Stock Exchange, which have considerable interests in the Greater China region (inclusive of Mainland China, Hong Kong, Macau and Taiwan).

### **Strategy**

The Sub-Fund invests at least 70% of its net asset value in H-shares, red-chips and other companies listed on the Hong Kong Stock Exchange which have considerable interests in the Greater China region (inclusive of Mainland China, Hong Kong, Macau and Taiwan).

The Sub-Fund does not intend to focus on a particular industry or sector, and may invest in securities issued by companies of any market size and in such proportions as the Manager deems appropriate.

The remaining assets of the Sub-Fund (less than 30% of its net asset value) may consist of cash, deposits, money market funds and investment grade<sup>1</sup> debt securities denominated in HK\$, RMB or US\$ when appropriate.

As ancillary investment in other equity and equity related securities of companies which have considerable interests in the Greater China region, the Sub-Fund may also invest not more than 20% of its net asset value in A-Shares via the Shanghai-Hong Kong Stock Connect and/or the Shenzhen-Hong Kong Stock Connect, and not more than 10% of its net asset value in equity securities listed in the United States.

The Sub-Fund will not invest more than 10% of its net asset value in debt securities issued and/or guaranteed by a single sovereign issuer (including its government, public or local authority) which is below investment grade.

Under exceptional circumstances (e.g. market crash or major crisis), the Sub-Fund may invest temporarily up to 100% in liquid assets such as deposits, treasury bills, certificates of deposit, short-term commercial papers for cash flow management.

The Sub-Fund does not invest in B-Shares in the PRC or A-share market access products. Further, the Sub-Fund does not invest in structured products as part of its investment policy.

## **Use of Derivatives**

The Sub-Fund will not use derivatives for any purposes.

<sup>1</sup> “Investment grade” means Baa3 or above by Moody’s or BBB- or above by Standard & Poor’s or equivalent ratings by other internationally recognised credit rating agencies.

## What are the key risks?

**Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.**

### **1. General investment risk**

- The Sub-Fund is an investment fund. There is no guarantee of the repayment of principal.
- The Sub-Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Sub-Fund may suffer losses.

### **2. Currency risk**

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund. Also, a class of Units may be designated in a currency other than the base currency of the Sub-Fund. The net asset value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

### **3. Equity market risk**

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.

### **4. China and emerging markets risks**

- Due to the focus of the Sub-Fund's investment in the Greater China region, the Sub-Fund is subject to risks relating to investments in emerging markets generally as well as risks specific to the PRC market, which may entail higher liquidity, currency, volatility, political and economic uncertainties, settlement, custody and legal and taxation risks for the Sub-Fund.

### **5. Concentration risk**

- The Sub-Fund's investments are concentrated in the Greater China region. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments. The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Greater China market.

### **6. Risk associated with small-capitalisation / mid-capitalisation companies**

- The stock of small-capitalisation / mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

### **7. Debt securities risks**

- Credit / Counterparty risk

The Sub-Fund may invest in debt securities which may expose the Sub-Fund to credit default risks of the issuers of the debt securities.

- Interest rate risk

Investment in the Sub-Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

- Downgrading risk

The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt instruments that are being downgraded

- Risk associated with debt securities rated below investment grade or unrated

The debt securities held by the Sub-Fund may be unrated or may be below investment grade, which may result in lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

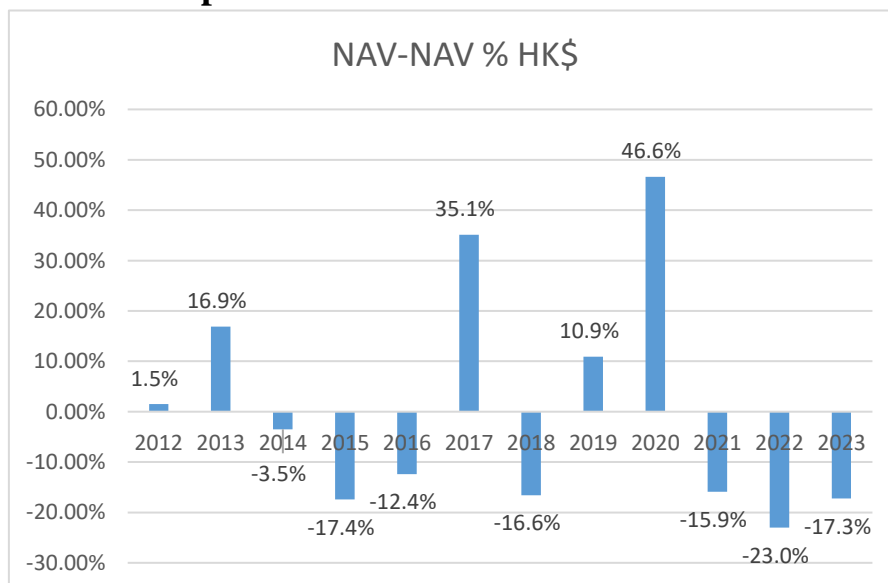
- Valuation risk

Valuation of the Sub-Fund’s investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.

- Credit rating risk

Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

### How has the sub-fund performed?



Year	2012	2013	2014	2015	2016	2017	2018
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**BOCOM International Fund –  
BOCOM International Dragon Core Growth Fund**

NAV-NAV % HK\$	1.5%	16.9%	-3.5%	-17.4%	-12.4%	35.1%	-16.6%
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Year	2019	2020	2021	2022	2023
NAV-NAV % HK\$	10.9%	46.6%	-15.9%	-23.0%	-17.3%

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV.
- These figures show by how much the Sub-Fund increased or decreased in value during the calendar year being shown. Performance data has been calculated in HK\$ including ongoing charges and excluding initial charge and redemption charge you might have to pay.
  - When no past performance is shown, there was insufficient data available in that year to provide performance.
  - The launch date of the Sub-Fund was 14 December 2010.

### **Is there any guarantee?**

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

### **What are the fees and charges?**

#### **Charges which may be payable by you**

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

#### **Fees and Charges**

#### **What you pay**

Preliminary Charge  
(% of Issue Price)

Up to 5%

Redemption Charge  
(% of Redemption Price)

Up to 4%

Switching Charge  
(% of issue price of  
the sub-fund being switched into)

Up to 1%

#### **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.

**Annual rate (as a % of the Sub-Fund's net asset value)**

Management Fee	1.5% p.a.*
Trustee Fee	0.30% to 0.35% p.a. (subject to a minimum annual fee of HK\$350,000 for this Sub-Fund)*
Performance Fee	Nil
Administration Fee	Nil

**Other fees and charges**

You may have to pay other fees and charges when dealing in the Units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in its Explanatory Memorandum.

\*You should note that some fees may be increased, up to a specified permitted maximum, by giving unitholders at least one month's prior notice. For details, please refer to pages 63 and page 64 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 Authorised Distributor(s) or 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 every Business Day i.e. generally any day (except Saturday) when banks in Hong Kong are open for normal banking business or such other day or days as the Manager and the Trustee may agree from time to time).
- Investors should note that Authorised Distributor(s) may impose different dealing deadlines for receiving instructions for subscriptions, redemptions or switching. Investors should pay attention to the arrangements of the Authorised Distributor(s) concerned.
- Investors may obtain information on the Authorised Distributor(s) from the following website: [www.bocomgroup.com](http://www.bocomgroup.com)\*.
- The net asset value of this Sub-Fund is calculated at the close of business in the last relevant market to close on each Dealing Day, and the price of Units will be available online at [www.bocomgroup.com](http://www.bocomgroup.com)\*.
- Please refer to <http://www.bocomgroup.com/en/asset-management/am-latest-fund-price.html>\* for performance information.
- The offering document, any circulars, notices and announcements issued in relation to the Sub-Fund, and the latest financial reports of BOCOM International Fund (when issued) are available at [www.bocomgroup.com](http://www.bocomgroup.com)\*.

\* Please note that the websites have not been reviewed by the SFC and may contain information on funds which are not authorised by the SFC.

**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.

SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.