

PRODUCT KEY FACTS

Bosera Yufu CSI 300 Index Fund*
 (*This is not a typical index fund)

April 2018

Issuer: Bosera Asset Management Co., Ltd

• ***This is a Mainland fund authorised for public offering in Hong Kong pursuant to Mainland-Hong Kong Mutual Recognition of Funds arrangement.***

• ***This statement provides you with key information about this product.***

• ***This statement is a part of the Fund's offering document.***

• ***You should not invest in this product based on this statement alone.***

Quick facts

Manager: Bosera Asset Management Co., Ltd

Custodian: China Construction Bank Corporation

Ongoing charges over a year[#]: Class R Units: 1.19%

Dealing frequency: Each Hong Kong Dealing Day (i.e. a business day in both Mainland China and Hong Kong)

Base currency: RMB

Dividend policy: Dividends (if any) will be declared and paid once a year at the discretion of the Manager. Class R Units only distribute cash dividend. Distributions will not be paid out of capital or effectively out of capital of the Fund.

Financial year end of this fund: 31 December

Minimum initial investment: Class R Units: RMB500

Minimum subsequent investment: Class R Units: RMB100

[#] The ongoing charges figure is based on expenses for the year ended 31 December 2017. This figure may vary from year to year. It represents the sum of the ongoing expenses chargeable to the relevant class expressed as a percentage of the average Net Asset Value of such class during the relevant period.

What is this product?

• Bosera Yufu CSI 300 Index Fund (the "Fund") is a fund constituted under the laws of the Mainland China and its home regulator is the China Securities Regulatory Commission.

Objective and Investment Strategy

Objective

The investment objective of the Fund is to benefit from the long-term growth of the Mainland China capital market.

Strategy

The Fund is not a typical index fund. The Fund in principle adopts an index replication strategy through investing in a portfolio of securities corresponding to CSI 300 Index (the “Index”), and also employs active management strategy to manage certain portion of the Fund to maintain a positive correlation between the rate of return of the Fund and the performance of Index at above 95%. To achieve this:

- (i) Not less than 80% of the net asset value of the Fund (“NAV”) will be invested broadly in proportion to the respective weightings of the constituents of the Index;
- (ii) Not less than 5% of the NAV will be retained in cash or PRC government bonds with a maturity of less than one year;
- (iii) The remaining portion of the Fund (i.e. not more than 15% of the NAV) will be actively managed by the Manager according to the prevailing market and economic conditions; and
- (iv) The proportion of equity assets will be less than 95% of the NAV of the Fund.

In deploying the active investment strategies, the Manager may adopt investment optimisation techniques to mitigate the uncertainties and vagaries associated with A-shares investments. These techniques may include sector and industry optimisation, filtering out of non-core stocks, selection of non-index constituents, cash and equity optimisation and other techniques that the Manager consider appropriate taking into account the prevailing market and economic conditions.

The Fund currently will not invest in financial derivatives instruments, take any leveraged position or engage in securities lending, repurchase transactions or other similar over-the-counter transactions. Prior regulatory approval will be sought and at least one month’s prior notice will be given to Unitholders in Hong Kong if there is a change in these policies.

Information of the CSI 300 Index (the “Index”)

As at 31 March 2018, the 10 largest constituents of the Index, representing in excess of 24.05% of the market capitalisation of the Index based on total shares in issue, were as follows:

Rank	Constituent Name	Weighting
1.	Ping An Insurance (Group) Company of China Ltd	6.24
2.	Kweichow Moutai Co Ltd	3.03
3.	China Merchants Bank Co Ltd	2.65
4.	Midea Group CO., LTD	2.18
5.	Gree Electric Appliances, Inc. of Zhuhai	1.99
6.	Industrial Bank	1.83
7.	China Minsheng Banking Corp Ltd	1.67
8.	Inner Mongolia Yili Industrial Group Co Ltd	1.53
9.	Bank of Communications Co LTD	1.5
10.	China Vanke Co Ltd	1.43

The index methodology and the latest index information and other important news of the Index are available from the website of China Securities Index Co., Ltd (“CSI”) at <http://www.csindex.com.cn/zh-CN/indices/index-detail/000300> (this website has not been reviewed by the SFC). The index methodology is subject to change from time to time and investors may refer to this website for up-to-date information about the index methodology. The

Manager (and each of its Connected Persons) is independent of CSI.

What are the key risks?

Investment involves risks and there is no guarantee of the repayment of principal. Please refer to the offering document for details including the risk factors.

1. Investment risk

- The Fund is an investment fund. There is no guarantee of the repayment of principal or payment of dividend or distributions. Furthermore, there is no guarantee that the Fund will be able to achieve its investment objective and there is no assurance that the stated strategies can be successfully implemented.

2. Risks associated with the Fund's investment strategy

- *Passive investment risk:* As the majority of the portfolio of the Fund will be invested in the constituents of the Index, the Fund is to a large extent passively managed and the Manager may be limited in the flexibility to adapt to market changes due to the inherent investment strategy of the Fund. Falls in the Index may result in corresponding falls in the value of the Fund.
- *Active investment risk:* Under the investment optimisation technique, the Fund also adopts an active investment style for a portion of its assets which is not invested according to the constituents of the Index. Under the active investment style, the Manager seeks to add value to portfolio performance by constructing a portfolio that is different from the Index. This may result in the Fund underperforming the Index significantly. Investors should evaluate the risk and return of the Fund carefully before making an investment decision.
- *Index-related risk:* There may be errors in index data which may not be identified or corrected for a period of time. This may have an adverse impact on the Fund and its Unitholders. Index provider may change the composition of securities within the Index from time to time and the securities may be delisted.

3. Risks associated with the Mainland-Hong Kong Mutual Recognition of Funds ("MRF") arrangement

- *Quota restrictions:* The MRF scheme is subject to an overall quota restriction. Subscription of units in the Fund may be suspended at any time if such quota is used up.
- *Failure to meet eligibility requirements:* If the Fund ceases to meet any of the eligibility requirements under the MRF, it may not be allowed to accept new subscriptions or continue to be marketed in Hong Kong. In the worst scenario, the SFC may even withdraw its authorisation for the Fund to be publicly offered in Hong Kong for breach of eligibility requirements. There is no assurance that the Fund can satisfy these requirements on a continuous basis.
- *Mainland China tax risk:* Currently, certain tax concessions and exemptions are available to the Fund and/or its corporate and individual investors in Hong Kong under the MRF regime. There is no assurance that such concessions and exemptions or Mainland tax laws and regulations will not change. Any change to the existing concessions and exemptions as well as the relevant laws and regulations may adversely affect the Fund and/or its investors and they may suffer substantial losses as a result.
- *Different market practices:* Market practices in the Mainland China and Hong Kong may be different. In addition, operational arrangements of the Fund and other public funds offered in Hong Kong may be different in certain ways. For example, subscription or redemption of units of the Fund may only be processed on a day when both Mainland China and Hong Kong markets are open, or it may have different cut-off times or dealing day arrangements versus other SFC-authorised funds. Investors should ensure that they understand these differences and their implications.
- *Different fund classification:* The fund classification and names used by Recognised Mainland Funds (including the Fund) may also be different from those that are customarily used in Hong Kong. The Fund is a "passively managed index fund" in the Mainland China and in principle adopts an index replication method to build the investment portfolio broadly in proportion to the respective weightings of the constituents of the Index. However, the Manager may adopt additional investment optimisation techniques in managing the Fund. The Fund is different from a typical SFC-authorised passively managed index tracking fund in Hong Kong and will be regarded as an actively managed / general equity fund in Hong Kong. Investors should read the Hong Kong offering document to understand the investment strategy deployed by the Fund.

4. Concentration risk / Mainland China market risk

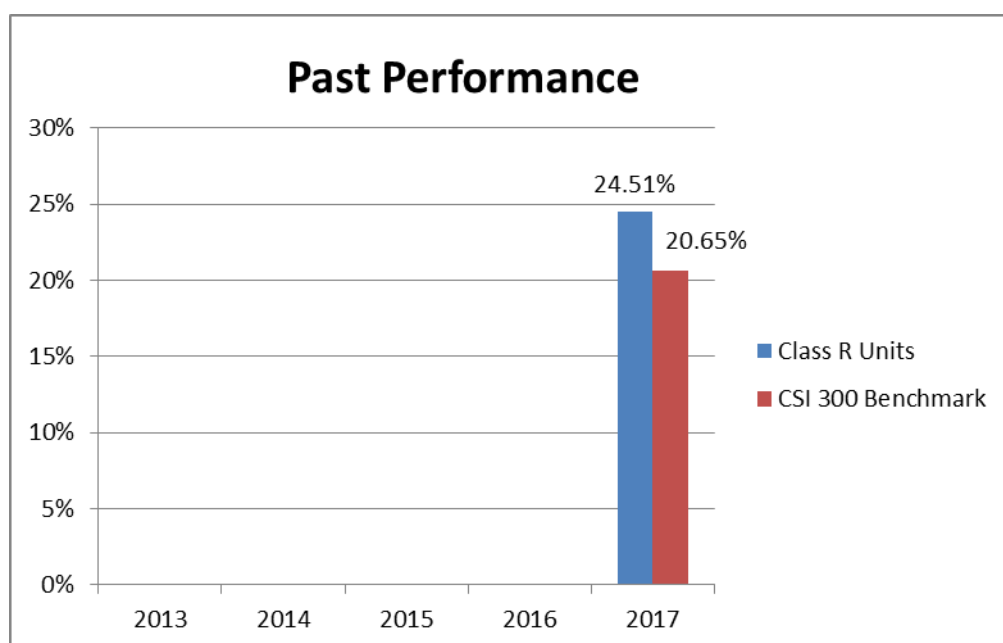
- The Fund invests only in securities related to the Mainland China market and may be subject to additional concentration risk. Investing in the Mainland China market may give rise to different risks including political, policy, tax, economic, foreign exchange, legal, regulatory and liquidity risks.

5. RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.
- Investors may not receive RMB upon redemption of investments and/or dividend payment or such payment may be delayed due to the exchange controls and restrictions applicable to RMB.

6. Mainland China equity risk

- Market risk:* The 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.
- Volatility risk:* High market volatility and potential settlement difficulties in the Mainland China equity markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Fund.
- Risks associated with small-capitalisation and mid-capitalisation companies:* The Fund may invest in companies of smaller or mid-capitalisation. The stocks of small-capitalisation and 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.
- Policy risk:* Securities exchanges in Mainland China typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the Fund.
- High valuation risk:* The stocks listed on the Mainland stock exchanges may have a higher price-earnings ratio. Such high valuation may not be sustainable.
- Liquidity risk:* Securities markets in Mainland China may be less liquid than other developed markets. The Fund may suffer substantial losses if it is not able to dispose of investments at a time it desires.

How has the fund performed?

- 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, with dividend reinvested.
- These figures show by how much the Class R Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 2003
- Share class R launch date: 2016

Is there any guarantee?

The 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 Class R Units of the Fund.

Fee	What you pay
Subscription fee	Up to 5% of the subscription amount
Switching fee (i.e. conversion fee)	N/A as switching of Class R Units is not permitted
Redemption fee	0.125% of the total redemption amount

Ongoing fees payable by the Fund

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

	Annual rate (as a % of Class R Units' net asset value)
Management fee	0.98%
Performance fee	N/A
Custodian fee	0.20%
Administration fee	N/A

Please refer to the section of the Prospectus entitled "Fees and Tax of the Fund" for information on other ongoing expenses that may be borne by the Fund.

Other fees

You may have to pay other fees when dealing in the units of the Fund.

Additional information

- You generally buy and redeem units at the Fund's next-determined NAV after your request is received by an authorised distributor in good order at or before 3 p.m. (Hong Kong time) being the dealing cut-off time. Certain authorised distributors may have different dealing procedures, including earlier cut-off times for receipt of applications and/or cleared funds. Investors should check with the relevant authorised distributor accordingly. If any event occurs that causes disruption to the Mainland securities market, the dealing and cut-off time arrangements may be adjusted. Investors should inquire with the relevant authorised distributor for the related dealing and cut-off time arrangements in these circumstances.
- The net asset value of Class R Units is calculated and published on each Hong Kong Dealing Day.
- The NAV, the latest subscription and redemption prices of units (which are updated on each Hong Kong Dealing Day) and the latest notices relating to the Fund are available on the Hong Kong Representative's website <http://www.bosera.com.hk> (This website has not been reviewed 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.