

**This notice contains important information that requires your immediate attention. Should you have any queries, you are recommended to seek independent professional advice.**

The following change(s) in investment choice(s) relate(s) to the Capital Flexi InvestPlan and Capital InvestPlan.

**Amendment Relating to the Underlying Fund of the Investment Choice**

- *BOCHK China Equity Fund (Class A)(BCCEH)*

As advised by BOCI-Prudential Asset Management Limited, amendments relating to BOCHK Investment Funds - BOCHK China Equity Fund (the "Underlying Fund"), the underlying fund of the investment choice above, will be made to the explanatory memorandum of the Underlying Fund with effect from October 30, 2015, which mainly include the following:

- (i) The investment policies of the Underlying Fund will be amended by adding, amongst other things, the following paragraphs:

"The sub-fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised collective investment schemes ("CISs") (including CISs managed by the manager)) and/or exchange traded funds ("ETFs") listed on the Stock Exchange of Hong Kong Limited ("SEHK") (including ETFs managed by the manager).

The sub-fund may also invest (a) up to 20% of its net asset value in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investment in equity linked instruments ("ELIs") (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with qualified foreign institutional investors ("QFII") status in the PRC, ETFs listed on the SEHK (including ETFs managed by the manager) and/or SFC authorised CISs (including CISs managed by the manager)); and/or (b) up to 15% of its net asset value in B shares listed on the stock exchanges in Mainland China.

Investment in A shares may also be made indirectly through ETFs listed on SEHK. The sub-fund's investment in each ETF will not exceed 10% of its net asset value. The aggregate exposure to the A shares and B shares market will not exceed 20% of the sub-fund's net asset value."

- (ii) The risk disclosure relating to investment in the Underlying Fund will be enhanced by (a) adding, amongst other things, the risk relating to "choice of investments and market volatility", "risk of investing in ELIs" and "risks associated with the Shanghai-Hong Kong Stock Connect"; and (b) amending the "Mainland China tax risk".

**You should refer to the relevant offering documents and the notice to shareholders of the underlying fund(s) of the above investment choice(s) in relation to the above changes, which are made available by MassMutual Asia Ltd. upon request.**

**If you have selected the above investment choice(s) under your insurance policy and if for any reason you wish to change to other investment choice(s), you may switch your investment choice(s) to other available investment choice(s) provided by your policy. Currently, no switching charge and bid-offer spread apply to the investment choices. For details, please refer to Principal Brochure or contact MassMutual Asia Ltd. - Customer Service Hotline at (852) 2919 9797 (Hong Kong).**

16 October 2015

This Notice is important and requires your immediate attention. It contains information regarding the offering documents of the BOCHK Investment Funds. If you are in any doubt about the content of this Notice, you should seek independent professional financial advice.

BOCI-Prudential Asset Management Limited, being the Manager of the BOCHK Investment Funds accepts responsibility for the information contained in this Notice as being accurate at the date of issuance and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

Dear Unitholders,

**Notice to Unitholders**  
**BOCHK Investment Funds**

Thank you very much for your participation in the BOCHK Investment Funds (the “Fund”).

We would like to inform you that the updated product key facts statements (“KFS”) for each of the sub-funds under the Fund will be issued so as to disclose the updated information relating to the ongoing charges of each sub-fund.

In addition, amendments relating to the BOCHK China Equity Fund, the BOCHK China Golden Dragon Fund and the BOCHK China Consumption Growth Fund (collectively, the “Sub-Funds”) will be made to the Explanatory Memorandum of the Fund with effect from 30 October 2015.

1. Amendments relating to the BOCHK China Equity Fund mainly include the following:
  - (i) The investment policies of the BOCHK China Equity Fund will be amended by adding, amongst other things, the following paragraphs:

“The Sub-Fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised collective investment schemes (“CISs”) (including CISs managed by the Manager)) and/or exchange traded funds (“ETFs”) listed on the Stock Exchange of Hong Kong Limited (“SEHK”) (including ETFs managed by the Manager).

The Sub-Fund may also invest (a) up to 20% of its Net Asset Value in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investment in equity linked instruments (“ELIs”) (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with qualified foreign institutional investors (“QFII”) status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager)); and/or (b) up to 15% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China.

Investment in A shares may also be made indirectly through ETFs listed on SEHK. The

Sub-Fund's investment in each ETF will not exceed 10% of its Net Asset Value. The aggregate exposure to the A shares and B shares market will not exceed 20% of the Sub-Fund's Net Asset Value."

- (ii) The risk disclosure relating to investment in the BOCHK China Equity Fund will be enhanced by (a) adding, amongst other things, the risk relating to "choice of investments and market volatility", "risk of investing in ELIs" and "risks associated with the Shanghai-Hong Kong Stock Connect"; and (b) amending the "Mainland China tax risk".

2. Amendments relating to the BOCHK China Golden Dragon Fund mainly include the following:

- (i) the paragraph relating to the underlying investment of the BOCHK China Golden Dragon Fund will be amended and restated as follows:

"The Sub-Fund may invest in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investment in ELIs (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with QFII status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager)), Hong Kong-listed stocks, H shares and/or shares of red-chip companies (directly and/or indirectly through investments in SFC authorised CISs (including CISs managed by the Manager)) and/or ETFs (including ETFs managed by the Manager) listed on the SEHK. The Sub-Fund may also invest in B shares listed on the stock exchanges in Mainland China."

- (ii) the BOCHK China Golden Dragon Fund's aggregate investment intended to be made by the Manager in the A shares market through the Shanghai-Hong Kong Stock Connect, ELIs, ETFs and/or SFC authorised CISs will be amended from "40%" to "60%".

3. Amendments relating to the BOCHK China Consumption Growth Fund mainly include the following:

- (i) the paragraphs relating to the underlying investment of the BOCHK China Consumption Growth Fund will be amended and restated as follows:

"The Sub-Fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised CISs (including CISs managed by the Manager)) and/or ETFs listed on the SEHK (including ETFs managed by the Manager).

The Sub-Fund may also invest (a) up to 20% of its Net Asset Value in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investments in ELIs (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with the QFII status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager)); and/or (b) up to 15% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China"

- (ii) an additional paragraph specifying that the BOCHK China Consumption Growth Fund's aggregate exposure to the A shares and B shares market will not exceed 20% of the Sub-Fund's Net Asset Value will be added.

Please refer to the enclosed addendum for details of amendments relating to the Sub-Funds.

You may download a copy of the latest Explanatory Memorandum of the Fund and the KFS of each sub-fund from our corporate website ([www.boci-pru.com.hk](http://www.boci-pru.com.hk)) or obtain a copy of such documents from our office at 27/F., Bank of China Tower, 1 Garden Road, Central, Hong Kong from 30 October 2015.

Please feel free to contact the Manager's Investment Funds Services Hotline at (852) 2280 8615 in case you have any queries.

**BOCI-Prudential Asset Management Limited**

This is a computer print-out. No signature is required.

# BOCHK INVESTMENT FUNDS

## 中銀香港投資基金

### Fourth Addendum to the Explanatory Memorandum

IMPORTANT: This Addendum is supplemental to and forms part of the Explanatory Memorandum for the BOCHK Investment Funds (the “Fund”) dated 20 March 2015, the First Addendum dated 16 April 2015, the Second Addendum dated 11 May 2015 and the Third Addendum dated 26 June 2015 (collectively, the “Explanatory Memorandum”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.

**If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should seek your independent professional financial advice.**

The Securities and Futures Commission of Hong Kong takes no responsibility for the accuracy of any of the statements made or opinions expressed in this Addendum.

The Explanatory Memorandum is hereby supplemented as follows with effect from 30 October 2015:

- I. Under the section headed “INVESTMENT OBJECTIVES AND POLICIES” of the Explanatory Memorandum,
  1. the following new paragraphs shall be inserted between the two paragraphs under the sub-heading “(xii) BOCHK China Equity Fund” on page 11:

“The Sub-Fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised collective investment schemes (“CISs”) (including CISs managed by the Manager)) and/or exchange traded funds (“ETFs”) listed on the Stock Exchange of Hong Kong Limited (“SEHK”) (including ETFs managed by the Manager).

The Sub-Fund may also invest (a) up to 20% of its Net Asset Value in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investment in equity linked instruments (“ELIs”) (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with qualified foreign institutional investors (“QFII”) status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager)); and/or (b) up to 15% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China.

Under the prevailing investment regulations of the PRC, foreign institutional investors (such as the Manager) who wish to invest directly in the A shares market must obtain the QFII or RMB qualified foreign institutional investors (“RQFII”) status in the PRC. A shares are also available for investment by Hong Kong and overseas investors via Shanghai-Hong Kong Stock Connect. It is expected that investment of the Sub-Fund in A shares will be made directly through the

Shanghai-Hong Kong Stock Connect and/or indirectly through ELIs, ETFs or SFC authorised CISs. For investment in ELIs, such ELIs will be held by the Trustee of the Sub-Fund and will be linked to one or a basket of A shares. The ELIs are expected to be quoted on Bloomberg or Reuters and will be issued by institutions or their affiliates with QFII status. If the Sub-Fund invests in ELIs which are not listed or quoted or dealt in on a market (market means any stock exchange, over-the-counter (“OTC”) market or other organized securities market that is open to the international public and on which such securities are regularly traded), the Sub-Fund’s investment therein will not exceed 15% of its latest available Net Asset Value.

Investment in A shares may also be made indirectly through ETFs listed on SEHK. The Sub-Fund’s investment in each ETF will not exceed 10% of its Net Asset Value.

The aggregate exposure to the A shares and B shares market will not exceed 20% of the Sub-Fund’s Net Asset Value.

Investors should take note that the Manager may change the above investment limit if it considers appropriate after taking into account the prevailing market conditions.”

2. (a) the second paragraph under the sub-heading “(xiii) BOCHK China Golden Dragon Fund” on page 11 shall be amended and restated as follows:

“The Sub-Fund may invest in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investment in ELIs (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with QFII status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager)), Hong Kong-listed stocks, H shares and/or shares of red-chip companies (directly and/or indirectly through investments in SFC authorised CISs (including CISs managed by the Manager)) and/or ETFs (including ETFs managed by the Manager) listed on the SEHK. The Sub-Fund may also invest in B shares listed on the stock exchanges in Mainland China.”

- (b) in the fifth paragraph under the sub-heading “(xiii) BOCHK China Golden Dragon Fund” on page 11,

- (i) the fifth sentence shall be amended by adding the wording “or their affiliates” after the word “institutions”; and

- (ii) the last sentence shall be amended by adding the wording “or dealt in” after the wording “listed or quoted”.

- (c) (i) the aggregate investment by BOCHK China Golden Dragon Fund in the A shares market through the Shanghai-Hong Kong Stock Connect, ELIs, ETFs and/or SFC authorised CISs as mentioned in the seventh paragraph

under the sub-heading “(xiii) BOCHK China Golden Dragon Fund” on page 11 shall be amended from “40%” to “60%”.

- (ii) the following sentence relating to BOCHK China Golden Dragon Fund’s exposure to B shares shall be added at the end of the seventh paragraph:

“The Sub-Fund’s exposure to B shares market will not exceed 15% of its Net Asset Value.”

- (d) The last paragraph under the sub-heading “(xiii) BOCHK China Golden Dragon Fund” on page 11 shall be amended by deleting the wording “in the A share market”.
3. (a) the third paragraph under the sub-heading “(xiv) BOCHK China Consumption Growth Fund” on page 12 (as amended by the Second Addendum dated 11 May 2015) shall be amended and restated as follows:

“The Sub-Fund will mainly invest in Hong Kong-listed stocks, H shares, shares of red-chip companies (directly and/or indirectly through investments in SFC authorised CISs (including CISs managed by the Manager)) and/or ETFs listed on the SEHK (including ETFs managed by the Manager).

The Sub-Fund may also invest (a) up to 20% of its Net Asset Value in A shares ((i) directly through the Shanghai-Hong Kong Stock Connect; and/or (ii) indirectly through investments in ELIs (which may take the form of notes, contracts or other structures) issued by institutions or their affiliates with the QFII status in the PRC, ETFs listed on the SEHK (including ETFs managed by the Manager) and/or SFC authorised CISs (including CISs managed by the Manager)); and/or (b) up to 15% of its Net Asset Value in B shares listed on the stock exchanges in Mainland China.”

- (b) in the fifth paragraph under the sub-heading “(xiv) BOCHK China Consumption Growth Fund” on page 12 (as amended by the Second Addendum dated 11 May 2015),
  - (i) the fifth sentence shall be amended by adding the wording “or their affiliates” after the word “institutions”; and
  - (ii) the last sentence shall be amended by adding the wording “or dealt in” after the wording “listed or quoted”.
- (c) the second last paragraph under the sub-heading “(xiv) BOCHK China Consumption Growth Fund” on page 12 (as amended by the Second Addendum dated 11 May 2015) shall be amended and restated as follows:

“The aggregate exposure to the A shares and B shares market will not exceed 20% of the Sub-Fund’s Net Asset Value.

Investors should take note that the Manager may change the above investment limit if it considers appropriate after taking into account the prevailing market conditions.”

II. Under the section headed “RISK FACTORS AND RISK MANAGEMENT POLICIES” of the Explanatory Memorandum,

1. the paragraph immediately after the risk factor “(c) Real estate risk” on page 16 shall be amended and restated as follows:

“In addition to the general risk factors set out above, investors should also note the following risk factors with respect to *BOCHK China Equity Fund*, *BOCHK China Golden Dragon Fund* and *BOCHK China Consumption Growth Fund*:”

2. under the risk factor “(j) Risk associated with the Shanghai-Hong Kong Stock Connect”,

- (a) the following paragraph shall be added immediately after the paragraph “(v) Restriction on selling imposed by front-end monitoring” on page 18:

“(vi) Recalling of eligible stocks: If a stock is recalled from the scope of eligible stocks for trading via the Shanghai-Hong Kong Stock Connect, the stock can only be sold and cannot be bought. This may affect the investment portfolio of the Sub-Fund. Investors should therefore pay close attention to the list of eligible stocks as provided and renewed from time to time by both the SSE and SEHK.”

- (b) the paragraphs “(vi) Clearing and settlement risk”, “(vii) Counterparty risk relating to brokers”, “(viii) Participation in corporate actions and shareholders’ meetings”, “(ix) No Protection by Investor Compensation Fund” and “(x) Regulatory risk” on pages 18 to 19 shall be re-numbered as “(vii) Clearing and settlement risk”, “(viii) Counterparty risk relating to brokers”, “(ix) Participation in corporate actions and shareholders’ meetings”, “(x) No Protection by Investor Compensation Fund” and “(xi) Regulatory risk” respectively.

- (c) the following paragraph shall be added immediately after the paragraph “(xi) Regulatory risk” on page 19:

“(xii) Foreign exchange / currency conversion risk: The Sub-Fund may be subject to exchange rate fluctuations between Hong Kong dollars and RMB given that the Sub-Fund is denominated in Hong Kong dollars, but the SSE Securities acquired via the Shanghai-Hong Kong Stock Connect are denominated in RMB. The Sub-Fund may also be subject to bid/offer spread and currency conversion costs when converting to and from Hong Kong dollars and RMB.”



3. under the risk factor “(l) Taxation in the PRC”,
- (a) the first paragraph under the sub-heading headed “1.1.a) Capital Gain” on page 19 shall be amended and restated as follows:

“Under the prevailing CIT Law and regulations, where no PRC permanent establishment is created, gains derived from a QFII from the trading of A shares may be subject to PRC withholding income tax under PRC domestic law, unless exempted under tax law and/or an applicable tax treaty.”

- (b) the last paragraph under the sub-heading headed “1.1.a) Capital Gain” on page 20 shall be deleted in its entirety;
- (c) the sub-heading headed “1.2 Investing in B shares, H shares and shares of companies listed on SEHK” and the paragraphs thereunder on pages 20 and 21 shall be amended and restated as follows:

*“1.2 Investing in B shares, H shares, red-chip companies and shares of companies listed on SEHK*

*a) Capital Gain*

Under the prevailing CIT Law and regulations, capital gains derived by an offshore fund on disposal of B shares, H shares, red-chip companies and shares of companies listed on SEHK (that have been classified by the PRC tax authority as a PRC resident enterprise), could be subject to withholding income tax at 10%, subject to exemption under an applicable tax treaty (with the fulfillment of certain conditions). However, capital gains derived by an offshore fund on the disposal of shares of red-chip companies and shares traded on the SEHK market is not subject to withholding tax, if the following three elements are not pre-determined upfront by the buyer and seller: -

- (i) parties to the purchase and sale of the shares;
- (ii) the quantity of the shares being transferred; and
- (iii) the transaction price.

*b) Dividend income*

Similar to A shares, dividend and interest income derived from investment in B shares, H shares or certain shares of companies listed on SEHK (that have been classified by the PRC tax authorities as a PRC resident enterprise) by the Sub-Fund could be subject to the withholding income tax at 10% imposed by the PRC tax authorities which may reduce the income from the Sub-Fund and will have an impact on the performance of the Sub-Fund. The withholding tax rate may be reduced under an applicable tax treaty (subject to the fulfillment of certain conditions). As described in sub-paragraph 1.1 (b) above, the distributing company is the

withholding agent but the fund is the taxpayer. If the distributing company fails to withhold, then the fund will need to pay the tax on its own.”

- (d) the following new sub-section shall be added immediately before the sub-section headed “2 Stamp Duty” on page 21:

**“2 Business Tax (“BT”)**

QFIIs are exempted from BT on securities (including debt and fixed income instruments) trading activities in China. The Sub-Fund is exempted from BT on A share trading activities through Shanghai-Hong Kong Stock Connect as well. However, there is no clear rule on whether there is BT exemption if the Sub-Fund invests in B shares. Thus, there may be BT imposed on the Sub-Fund for selling the securities. The H share transaction, red-chip companies transaction and other kinds of offshore shares transaction should not be subject to BT.”

- (e) the sub-section headed “2 Stamp Duty” on page 21 shall be re-numbered as “3 Stamp Duty”.
4. the last sub-heading “Risk Management Policies with respect to BOCHK China Golden Dragon Fund and BOCHK China Consumption Growth Fund” and the first paragraph thereunder on page 22 shall be amended and restated as follows:

**“Risk Management Policies with respect to BOCHK China Equity Fund, BOCHK China Golden Dragon Fund and BOCHK China Consumption Growth Fund**

In accordance with the investment objectives and policies of BOCHK China Equity Fund, BOCHK China Golden Dragon Fund and BOCHK China Consumption Growth Fund, the Manager may invest in ELIs. The Manager will seek to:”

BOCI-Prudential Asset Management Limited accepts responsibility for the information contained in this Addendum as being accurate as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

16 October 2015