

World Index Shares ETFs

**W.I.S.E. – CSI 300 China Tracker®\***

(\* This is a synthetic ETF)

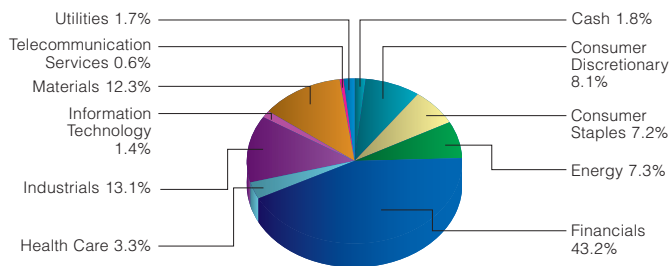
(Stock Code: 2827)

**KEY FEATURES AND RISKS:**

- The W.I.S.E. – CSI 300 China Tracker®\* (\* This is a synthetic ETF) (the "Fund") is an index-tracking fund which seeks to track the performance of the CSI 300 Index, which is an index consisting of 300 constituent A-shares.
- Investment in the Fund is not the same as an investment in the underlying A shares of the CSI 300 Index. The Fund will not invest directly in A shares and all non-cash assets shall be invested in A-share access products ("AXPs"), each of which is a derivative instrument linked to an A share or a basket of A shares.
- The Fund is subject to counterparty risk associated with each AXP issuer and may suffer losses potentially equal to the full value of the AXPs issued by an AXP issuer if such AXP issuer fails to perform its obligations under the AXP. The Fund is therefore exposed to the credit risk of the AXP issuer(s). Any loss would result in a reduction in the net asset value of the Fund and impair the ability of the Fund to achieve its investment objective to track the relevant index. In the event of any default by an AXP issuer, dealing of the Units in the Fund may be suspended and the Fund may ultimately be terminated.
- The Fund will obtain and maintain collateral at a level representing at least 100% of the Fund's gross total counterparty risk exposure with the value of the collateral marked to market by the end of each trading day with a view to ensuring that there is no uncollateralized counterparty risk exposure. For details, please refer to "Counterparty and Collateral Arrangement Disclosure" on the Fund's web page. However, this is subject to the risk of the collateral provider not fulfilling its obligations. There is a further risk that in the event that the Trustee may need to exercise its right against the collateral, the market value of the collateral could be substantially less than the amount secured.
- The Fund is the ultimate party which will bear any potential capital gain tax liability in respect of AXPs held by the Fund (which if levied, shall be deducted from the value of the AXPs and this will have an impact on the net asset value of the Fund). A provision of 10% is made for the potential capital gain tax liability by an AXP issuer or the Fund. In case the applicable tax rate is different, the Fund may bear additional tax liabilities which exceed the 10% capital gain tax provision.
- Investment in emerging markets involves special risks and considerations, such as, potential price and market volatility and illiquidity. These factors may have an adverse impact on the performance of the Fund.
- Investment involves risks and the Fund may not be suitable for everyone. Investors should carefully read the Prospectus of the Fund for further details including product features and risk factors, and should consider their own investment objectives and other circumstances before investing in the Fund.

**Investment Objective and Policy**

The Fund is an index-tracking fund which lists and trades in the Stock Exchange of Hong Kong Limited ("SEHK"). It aims to track the performance of the CSI 300 Index. The Fund seeks to invest solely in A Shares Access Products ("AXPs"). The Fund seeks to construct a portfolio that its overall capitalisation, industry and fundamental investment characteristics are like those of the CSI 300 Index. Representative Sampling Strategy will be used. The risk profile of the Fund is generally regarded as high.

**Sector Allocation****Top Ten Holdings**

1	China Minsheng Banking Corp Ltd	4.4%
2	China Merchants Bank Co Ltd	4.0%
3	Industrial Bank Co Ltd	3.1%
4	Ping An Insurance Group Co of China Ltd	3.1%
5	Shanghai Pudong Development Bank	2.7%
6	China Vanke Co Ltd	2.2%
7	Bank of Communications Co Ltd	2.1%
8	CITIC Securities Co Ltd	2.0%
9	Haitong Securities Co Ltd	1.9%
10	China Shenhua Energy Co Ltd	1.6%

**Calendar Year Performance**

	2008(%)	2009(%)	2010(%)	2011(%)	2012(%)
W.I.S.E. – CSI 300 China Tracker®** (* This is a synthetic ETF) (HKD)	-62.87	89.06	-10.61	-21.31	7.28
CSI 300 Total Return Index (RMB)	-65.61	98.58	-11.58	-24.05	9.80

**Cumulative Performance**

	3 Months(%)	Year To Date (%)	1 Year (%)	3 Years (%)	5 Years (%)	Since Listing (%)
W.I.S.E. – CSI 300 China Tracker®** (* This is a synthetic ETF) (HKD)	17.74	6.16	8.83	-10.89	-36.91	-23.69
CSI 300 Total Return Index (RMB)	19.17	6.50	11.31	-12.37	-38.03	-24.98

Currently, 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). The CSI 300 Total Return Index is used to calculate index performance (Source: China Securities Index Co., Ltd.).

**IMPORTANT NOTES:** Investment involves risks. The Fund is subject to market fluctuations and exchange rate fluctuations and to the risks inherent in all investments. Past performance is not indicative of future performance. Price of Units and the income generated from them (if any) may go down as well as up. Investors should, before investing in the Fund, carefully read the Prospectus of the Fund for further details of all risks involved in investing in the Fund, including the arrangement in the event that the Fund is delisted. Investors should also note that the Fund is different from a typical retail investment fund offered to the public in Hong Kong, in particular:

- A Participating Dealer may only create or redeem Units in Application Unit Size\* (as defined in the Prospectus) directly with the Fund;
- There is risk related to divergence between the market price of the Units and the Net Asset Value (NAV) of the Fund. The market price of the Units traded on the Stock Exchange of Hong Kong Limited (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;
- The units in the Fund may trade at a discount or premium to the NAV of the units;
- There is risk of limited duration of the Fund due to the limited duration of the AXPs. There is also QFII risk in relation to obtaining sufficient investment quota for the Fund and the maintenance of QFII status of the relevant QFII;
- The Fund may have a greater tracking error and there is additional counterparty risk because the Fund will not invest in the underlying A Shares of the CSI 300 Index directly but will invest indirectly in A Shares through the AXPs. The prices of the AXPs held by the Fund and the NAV of the Fund may be adversely affected if the markets for the A Shares are illiquid;
- The Fund is subject to certain deductions in order to make provision for certain PRC capital gains tax and/or distribution charge on A Shares. For details, please refer to the Prospectus.

\* 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.

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This document is exempted from pre-vetting and authorization by the SFC and has 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.

**Manager's Comment**

China's stock market extended its rally in January, with CSI 300 Index surging 6.50%. All sectors except Consumer Staples posted positive returns during the month. Health care and financials sectors led the index, while consumer staples sector still underperformed.

According to the National Bureau of Statistics (NBS), the Consumer Price Index (CPI) went up by 2.5% year-on-year (YoY), the fastest rate in the recent six months. Food prices, which accounted for around one-third of the weighting, went up by 4.2% YoY. The CPI ended up with a YoY growth of 2.6% in 2012, well below the threshold set by the government.

As to the economy, the NBS released that retail sales in December grew by 15.2% YoY, up from 14.9% in November. In terms of different consumption patterns, the sales on Communication Appliances recorded a relatively fast YoY growth rate of 28.9%, followed by the Furniture and Building and Decoration Materials. Fixed asset investment (excluding rural households) in 2012 grew by 20.6% YoY. In terms of regions, the investment in central and western regions grew at faster rates of 25.8% and 24.2% YoY respectively while that in eastern region kept at a lower YoY growth rate of 17.8%. The gross domestic product (GDP) growth in the fourth quarter of 2012 re-accelerated gradually to 7.9% YoY. However, according to the preliminary statistics from NBS, the GDP ended up with a YoY growth of 7.8% in 2012.

The China Federation of Logistics and Purchases (CFLP) released that the Purchasing Managers' Index for manufacturing (PMI) was 50.4 in January and buoyed in the expansionary region for a fourth straight month. Within the five sub-indices, the production index stood at 51.3, down by 0.7 percentage points from the previous month. The new orders index which weighted 30 percents of PMI reading climbed to 51.6, up by 0.4 percentage points from the previous month. The main raw materials inventory index, which accounted for one-tenth of the PMI reading, bounced back to the expansionary region for the first time since January 2012.

As of January 31, the NAV per unit of the Fund was HKD 29.1504, as compared to CSI 300 Index level of 2686.88.

**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
Estimated Total Expense Ratio	1.39% (including annual management fee 0.99%)
Dividend Payout	Annually (if any)
Latest Dividend Record (Dividend per unit)	-
Trading Board Lot Size	200 Units
Fund Size (Million)	HKD 10,937.23
NAV per unit	HKD 29.1504
Website	www.boci-pru.com.hk

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



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