Investment Choices for **PRU**link capital investment plan

Investment-linked Insurance

PRUDENTIAL 英國保誠

Important Note

- **The investment choices ("Investment Choices") listed in the "Investment Choices for PRU**link capital investment plan**" are available under PRU**link capital investment plan **issued by Prudential Hong Kong Limited ("Prudential") only. You rely on Prudential's creditworthiness and your investments are subject to the credit risk of Prudential.**
- **The Investment Choices can have very different features and risk profiles. Some of them may even be of high risk.**
- **Your return on investment is calculated by Prudential with reference to the performance of the reference funds of the Investment Choices.**
- **Return on investment under PRU**link capital investment plan **will be subject to the charges of the policy and may be lower than the return on the Investment Choices or reference funds.**
- **The premiums you pay towards PRU**link capital investment plan **will become part of the assets of Prudential. You do not have any rights or ownership over any of these assets. Your recourse under PRU**link capital investment plan **is against Prudential only.**
- **Early surrender or partial withdrawal from PRU**link capital investment plan **may result in substantial loss of your investment and premium paid. Poor performance of reference fund may further magnify your investment losses, while all charges are still deductible.**
- You should not purchase **PRU**link capital investment plan unless you understand it and it has been explained to you how it is suitable for you. The final decision is yours.
- For detailed information of the reference funds, please refer to the relevant offering documents of the reference funds* . You can contact Prudential's Customer Service Hotline (Telephone: 2281 1333) for the latest offering documents of the reference funds.
- YOU ARE STRONGLY RECOMMENDED to read this "Investment Choices for **PRU**link capital investment plan" and the offering documents of respective reference funds* carefully.

* The offering documents of reference funds are made available at the Customer Service Centre of Prudential at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Product Key Facts Statement, the Product Brochure and the Investment Choices for **PRU**link capital investment plan are construed as the Offering Document of **PRU**link capital investment plan and should be issued and read in conjunction with each other.

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This "Investment Choices for PRUlink capital investment plan**" sets out information on the investment choices available under PRU**link capital investment plan**.**
Your return on investment from the investment choices is calculated with reference to the performance of the reference funds of the investment choices. "Reference funds" refer to individual Securities and Futures Commission ("SFC") authorised funds. Your investment in the investment choices are subject to different risks associated with the reference funds of the investment choices. For details of risk associated with individual reference funds, please refer to their respective offering documents which are made available by Prudential upon request.

All units allocated under your PRUlink capital investment plan **are notional and solely for the purpose of determining the account value of your policy. You are NOT investing directly in the reference funds of the investment choices. You do not have any rights or ownership over these reference funds.**

List of Investment Choices

You should refer to the Product Brochure of PRUlink capital investment plan **for the charges of the policy.**

Name of Investment Choices	Code	Management Fee[1] (per annum)
China Equity		
BOCHK China Equity Fund	BCHE	1.50%
BOCHK China Consumption Growth Fund	BCCG	1.80%
BOCIP China Value Fund	BPCV	1.80%
Hong Kong Dollar Bond		
BOCHK Hong Kong Dollar Income Fund	BHKI	0.50%
Schroder International Selection Fund – Hong Kong Dollar Bond	SHKB	0.75%
Hong Kong Equity		
Schroder International Selection Fund – Hong Kong Equity	SHKE	1.50%

Please note:

(1) The management fees (a) are calculated as a percentage of net asset value of the corresponding reference funds and (b) represent the management fee of the reference funds corresponding to the relevant investment choices which is levied by the investment managers of the reference funds and has been reflected in the unit prices of the reference funds and therefore the unit prices of the investment choices.

(2) Bid-offer spread, other fees, charges and expenses in relation to the reference funds may also affect the value of a unit in respect of the relevant reference fund. These charges will be charged in accordance with the offering document of each reference fund and reflected in the unit price of the reference fund and therefore the unit price of the investment choice.

For detailed information on all fees and charges of the reference funds, please refer to the relevant offering documents of the reference funds which will be made available by Prudential upon request.

Prudential reserve the right to change the charges with no less than 1 month's prior notice or such shorter period of notice in compliance with the relevant regulatory requirement(s).

Investment Managers of Reference Funds

The following are investment managers of reference funds of the investment choices under PRUlink capital investment plan**:**

BOCI-Prudential Asset Management Limited ("BOCI-Prudential")

BOCI-Prudential was jointly established by BOCI Asset Management Limited (which is a subsidiary company wholly owned by BOC International Holdings Limited) and Prudential Corporation Holdings Limited in 1999. BOCI-Prudential offers a comprehensive spectrum of investment products, which includes Hong Kong mandatory provident fund scheme, pension funds, retail unit trusts, exchange traded funds, institutional mandates and other investment funds. In addition, BOCI-Prudential also manages discretionary investment portfolio and provides charity fund management services to both private individuals and institutional clients.

Schroder Investment Management (Hong Kong) Limited

Schroders is a leading independent international asset management company with a history of over 200 years and is one of the largest asset managers listed on the London Exchange. With one of the largest networks of offices of any dedicated asset management company, the company offers a comprehensive range of products and services.

In Hong Kong, Schroders has built a strong local presence since 1971. Schroders manages investments across all major asset classes for clients including large pension funds, government bodies, charities, corporations and individual investors.

Information on Investment Choices

China Equity

BOCHK China Equity Fund

Code: **BCHE**
Currency: **HKD**

Investment objective: The reference fund is an equity fund which aims to provide investors with long-term capital growth through investment mainly in the listed equities and equity related securities (including warrants and convertible securities) of companies whose activities are closely related to the economic development and growth of the economy of the People's Republic of China ("PRC"). Cash and debt securities may be considered when appropriate.

The reference fund may employ a portion of its assets in futures contracts, options or forward currency transactions for the purposes of efficient portfolio management and hedging against exchange rate risk.

Reference fund: BOCHK Investment Funds – BOCHK China Equity Fund – Class A

Investment manager of the reference fund: BOCI-Prudential Asset Management Limited

BOCHK China Consumption Growth Fund

Code: **BCCG**
Currency: **HKD**

Investment objective: The reference fund seeks to provide investors with long term capital growth by investing primarily in listed equities or equity-related securities (including warrants and convertible securities) issued by or linked to companies which activities relate to the consumer industry in Hong Kong and/or Mainland China.

Reference fund: BOCHK Investment Funds – BOCHK China Consumption Growth Fund – Class A

Investment manager of the reference fund: BOCI-Prudential Asset Management Limited

BOCIP China Value Fund

Code: **BPCV**
Currency: **HKD**

Investment objective: The reference fund seeks to achieve long term capital growth by investing primarily in securities issued by or linked to companies which activities and business are closely related to the economy of the People's Republic of China ("PRC").

Reference fund: BOCIP Asset Management Investment Funds – BOCIP China Value Fund – Class A

Investment manager of the reference fund: BOCI-Prudential Asset Management Limited

Hong Kong Dollar Bond

BOCHK Hong Kong Dollar Income Fund

Code: **BHKI**
Currency: **HKD**

Investment objective: The reference fund is an income fund which seeks to provide a stable income stream and long-term capital appreciation through a portfolio which mainly consists of Hong Kong dollar denominated investment grade (rated Baa3 or better by Moody's or other credit rating agency of similar standing) bonds.

The reference fund may employ a portion of its assets in futures contracts, options or forward currency transactions for the purposes of efficient portfolio management and hedging against exchange rate risk. The reference fund will not be engaged in any securities lending activities.

Reference fund: BOCHK Investment Funds – BOCHK Hong Kong Dollar Income Fund – Class A

Investment manager of the reference fund: BOCI-Prudential Asset Management Limited

Schroder International Selection Fund – Hong Kong Dollar Bond

Code: **SHKB**
Currency: **HKD**

Investment objective: The reference fund aims to provide a return of capital growth and income primarily through investment in a portfolio of bonds and other fixed and floating rate securities denominated in HK dollars and issued by governments, government agencies, supra-national and corporate issuers worldwide.

Reference fund: Schroder International Selection Fund – Hong Kong Dollar Bond A Acc

Investment manager of the reference fund: Schroder Investment Management (Hong Kong) Limited

Hong Kong Equity

Schroder International Selection Fund – Hong Kong Equity

Code: **SHKE**
Currency: **HKD**

Investment objective: The reference fund aims to provide capital growth primarily through investment in equity securities of Hong Kong SAR companies.

Reference fund: Schroder International Selection Fund – Hong Kong Equity A Acc

Investment manager of the reference fund: Schroder Investment Management (Hong Kong) Limited

Investment and Borrowing Restrictions

All investment choices will abide by the investment and borrowing restrictions imposed on the corresponding reference funds (if any). Please refer to the relevant offering documents of the reference funds for details.

Use of Financial Derivatives

The reference funds of BOCHK China Consumption Growth Fund, BOCIP China Value Fund, Schroder International Selection Fund – Hong Kong Dollar Bond and Schroder International Selection Fund – Hong Kong Equity may use derivatives for hedging and/or investment purposes.
The reference funds of other investment choices may use derivatives for efficient portfolio management and hedging purposes only. Derivatives may be more sensitive to changes in economic or market conditions and could increase the volatility or exposure of the reference funds of investment choices to losses that exceed the cost of the derivatives. For details, please refer to the relevant offering documents of the reference funds.

General Investment Risks Disclosure

Investment involves risks. As a consequence of the general nature of varied investments, the value of investments and their yield may go down as well as up. Investors may suffer a loss or benefit from investment return. Past performance is not indicative of future performance. Investments in each of the investment choices are subject to normal market fluctuation, and other risks inherent in investing in securities including but not limited to concentration risk, counterparty risk, country specific risk, credit/default risk, currency risk, derivatives risk, emerging market risk, interest rate risk, leverage risk, liquidity risk, management risk, market volatility risk and operational risk, and there can be no assurance that any appreciation in value may occur.

YOU ARE STRONGLY RECOMMENDED to read this "Investment Choices for **PRU**link capital investment plan" and the offering documents of the respective reference funds carefully. The offering documents of reference funds are made available at the Customer Service Centre of Prudential at 8/F, Prudential Tower, The Gateway, Harbour City, 21 Canton Road, Tsim Sha Tsui, Kowloon, Hong Kong.

General Notes

Closure of Investment Choices

In case of termination, merger, closure for subscription or switching-in of any investment choices, Prudential will give no less than 1 month's prior notice or such shorter period of notice in compliance with the relevant regulatory requirement(s).

Valuation

The base currency of each investment choice is Hong Kong Dollar.

The valuation date of an investment choice is the same as the valuation date of its respective reference fund which is determined by the relevant manager of the reference fund.

In circumstances such as closure, restriction or suspension of trading on any securities market in which the reference fund of the investment choice is invested or in any exceptional circumstances (including but not limited to any inevitable interruption of Prudential's normal business, typhoon, breakdown of means of communication and military events) which are beyond the control of Prudential that such suspension or deferment is necessary, Prudential shall have the right to suspend or defer the valuation, creation and cancellation of units of any investment choices.

Forward pricing is adopted. That means the unit price of investment choices are not yet determined when the order of the units is placed, but will be based on the unit prices at the close of the trading day.

The unit issue price and unit redemption price of each investment choice on a valuation date will be the same as the quoted unit issue price and unit redemption price of that reference fund on the valuation date and in the currency of that reference fund. Currently, the quoted unit issue price and unit redemption price of the reference funds of all investment choices will be displayed in not more than 4 decimal places. For those quoted unit issue price and unit redemption price of the reference funds displayed in less than 4 decimal places, the corresponding unit issue price and unit redemption price of the investment choices will be displayed in 4 decimal places by placing zero(s) after the last number of the price of the respective reference funds.

The number of issued units of investment choice will be determined by dividing the subscription amount by the unit issue price and it will be rounded to the nearest 4 decimal places. In case of change of the current practices, Prudential will give no less than 1 month's prior notice or such shorter period of notice in compliance with the relevant regulatory requirement(s).

Unit price of investment choices will be published in the South China Morning Post, the Hong Kong Economic Times and Prudential's corporate website.

Dividend

If there are dividends declared and payable in respect of the reference funds, Prudential may at its sole and absolute discretion by reference to dividend payment method of the share class of the corresponding reference fund:

(i) to re-invest the relevant amount back into that investment choice so that such dividend amount will be reflected in the unit price of the investment choice; or

(ii) to distribute the relevant dividend amount by issuing additional units of that investment choice and allocate such units into the policy account of the policy while the policy is in force; or

(iii) to pay the dividend to you by cheque, or by other means (including but not limited to direct credit the dividend amount to your designated Hong Kong Dollar bank account in Hong Kong) as Prudential may decide while the policy is in force.

Taxation

Taxation consequences of investing in **PRU**link capital investment plan depend on the applicable tax laws of your particular situation. You are recommended to seek independent professional advice about your relevant tax consequences.

Authorisation

The investment choices as presented in this "Investment Choices for **PRU**link capital investment plan" have been authorised by the Securities and Futures Commission("SFC"). However, such authorisation does not imply an official recommendation. SFC authorisation 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. The SFC takes no responsibility for the contents of the Principal Brochure, and makes no representation as to its accuracy or completeness or any liability for any loss arising from or in reliance upon the whole or any part of the contents of the Principal Brochure.

Responsibility

Prudential Hong Kong Limited accepts full responsibility for the accuracy of the information contained in this "Investment Choices for **PRU**link capital investment plan" as of the date of publication 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.

Regarding other details and charges, the terms and conditions of this **PRU**link capital investment plan, please refer to the policy provision. Prudential will be happy to provide specimen of the policy provision upon your request.

Reference funds information contained herein, which Prudential Hong Kong Limited believes to be reliable, has been derived from materials provided by BOCI-Prudential Asset Management Limited and Schroders Investment Management (Hong Kong) Limited. For detailed information on fund objectives and all fees and charges of the reference funds, please refer to the relevant offering documents of the reference funds which will be made available by Prudential upon request.

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