

This announcement is important and requires your immediate attention. If you are in any doubt about the content of this announcement, you should consult your bank manager, legal adviser, accountant or other independent financial adviser. Bank of China Investment Management Co., Ltd. accepts full responsibility for the accuracy of the information contained in this announcement at the date of publication, and confirms, having made all reasonable enquires, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement in these documents misleading.

## **Notice on Modification of Performance Measurement Benchmark and Amendment of Fund Contract of BOC Income Mixed Securities Investment Fund**

To protect the legitimate rights and interests of unitholders and to use a more representative and reasonable performance measurement benchmark to evaluate the performance of BOC Income Mixed Securities Investment Fund, Bank of China Investment Management Co., Ltd. (“the Fund Manager”) decided to modify the Fund’s performance measurement benchmark and accordingly amend the fund contract of the BOC Income Mixed Securities Investment Fund\*(\*The name of the fund is not indicative of the fund’s performance and return.)(“the Fund Contract”) as of 1 October 2019, after consulting the fund custodian Industrial and Commercial Bank of China Ltd and filing with China Securities Regulatory Commission (“CSRC”) pursuant to *the Securities Investment Funds Law of the People’s Republic of China*, *the Administrative Measures on the Operations of Publicly-raised Securities Investment Funds* and other laws and regulations and the Fund Contract. The specific modifications are as follows:

### **I. Modification of the Performance Measurement Benchmark**

Original performance measurement benchmark: 60% FTSE China A High Yield 150 Index + 30% CSI Treasury Bond Index + 10% Interbank Deposit Rate

Modified performance measurement benchmark: 60% CSI 800 Index Rate of Return + 40% ChinaBond Composite Index Rate of Return

### **II. Amendment of the Fund Contract**

The original content of the section *VII. Performance Measurement Benchmark* of *Part 11*

*Fund Investment* of the Fund Contract:

“As performance measurement benchmarks, indices involved in the Fund shall effectively evaluate the performance of investment portfolios of the Fund and reflect the style and characteristics of the Fund.

FTSE China A High Yield 150 Index is used as a performance measurement benchmark for stock investment by the Fund and CSI Treasury Bond Index for bond investment.

Overall performance measurement benchmark of the Fund = 60% FTSE China A High Yield 150 Index + 30% CSI Treasury Bond Index + 10% Interbank Deposit Rate

The Fund uses the FTSE China A High Yield 150 Index as a performance benchmark for its stock investment mainly for the following reasons:

1. The index is comprised of the top 150 stocks with the highest dividend yield that have been selected through liquidity tests. The stocks are selected based on the consistency of after-tax dividend distribution over the past three years and weighted by dividend yield.

2. The FTSE China A High Yield 150 Index consists of sample shares from the FTSE China A 600 Index which cover large-cap and mid-cap stocks listed on the Shanghai and Shenzhen stock exchanges. Therefore, the index can reflect the overall characteristics of dividend shares through the quantity of sample shares, negotiable market capitalisation, industrial distribution and other aspects.

The Fund may modify its performance measurement benchmarks through proper procedures if any other more appropriate benchmarks are launched in the market going forward.”

The amended content of the section *VII. Performance Measurement Benchmark* of *Part 11 Fund Investment* of the Fund Contract:

“The performance measurement benchmark of the Fund: 60% CSI 800 Index Rate of Return + 40% ChinaBond Composite Index Rate of Return.

CSI 800 Index is designed by China Securities Index Co., Ltd. The index reflects the overall performance of the large, mid and small cap A-shares and covers all the constituents of CSI 300 Index and CSI 500 Index, which appropriately reflects the overall performance of the diverse stocks with different scales and features in the market so that the index is suitable to be a measurement benchmark for the Fund’s stock investment.

ChinaBond Composite Index is designed by China Central Depository & Clearing Co., Ltd. It

covers a more comprehensive range of sample bonds and is broadly representative in the market. The index covers main trading markets (interbank market, exchange market and etc.), different issuers (government, business and etc.) and periods (long-term, mid-term, short-term and etc.), and appropriately reflects the overall price level and change trend of China bond market. The time series of each index value of the ChinaBond Composite Index are more complete, that is beneficial to implement a more in-depth research and analysis of the market.

In overall consideration of the authenticity and the representativeness of the indexes, the design methods of the indexes and the investment scope and investment strategy of the Fund, a combination of the CSI 800 Index and ChinaBond Composite Index, that is 60% CSI 800 Index Rate of Return + 40% ChinaBond Composite Index Rate of Return, is selected to be the performance measurement benchmark of the Fund, which are highly identified by the market.

On the premise of no violation of the laws and regulations and no substantial adverse effect on the interests of the Fund unitholders, the Fund Manager may modify the Fund's performance measurement benchmark according to its investment scope and investment strategy by publishing a timely notice, after consulting the fund custodian and filing with CSRC without convening a Fund unitholder meeting, if that the indexes' designing institutes stop counting and designing the above indexes, the indexes change names, relevant laws and regulations changes or any more appropriate or generally accepted benchmark are launched."

**III. As of 1 October 2019, the modified performance measurement benchmark will be implemented to the Fund and the amended clauses of the fund contract will come into effect.**

The above modification complies with relevant laws and regulations and the Fund Contract, has no substantial adverse effect on unitholders' interests and does not involve any change of rights and obligations of the parties of the Fund Contract. The Fund Manager has performed the required procedures for the modification and will accordingly update the relevant contents of the prospectus.

Disclaimer: The Fund Manager shall manage and apply the funds' assets with honesty, good faith, prudence and efficiency, but does not guarantee any profits or minimum income on funds.

Past performance is not indicative of future performance. Investors should note all the risks involved. Investors should read carefully through the respective funds' legal documents including but not limited to the Fund Contract, the latest Prospectus, and the Hong Kong Covering Document. Investors should note the funds' risks before making any investment decisions, and ensure the investment decision matches the investors' risk tolerance in accordance with investment objectives, investment tenure, investment experience and financial situations.

This notice is hereby given.

Bank of China Investment Management Co., Ltd

30 September 2019

If you have any questions with regard to the contents of this announcement, please do not hesitate to contact your bank or financial adviser or contact our Hong Kong Representative "BOCHK Asset Management Limited" at 5/F, Bank of China Building, 2A Des Voeux Road Central, Hong Kong.