

16 February 2023

BOCHK exclusively adds
“UBS (Lux) Strategy SICAV - Income Sustainable” to the bank’s platform
Helping customers capture green investment opportunities

In response to retail investors’ growing interest in sustainable development and the resumption of global economic activity, Bank of China (Hong Kong) (“BOCHK”) exclusively adds “UBS (Lux) Strategy SICAV - Income Sustainable” (“the Fund”) from UBS Asset Management to the bank’s platform, providing customers with solutions that combine growth and income while capturing green investment opportunities. BOCHK is the exclusive retail bank distributor of the Fund in Hong Kong. Customers can subscribe to the Fund through the bank’s mobile banking, internet banking and branches.

“UBS (Lux) Strategy SICAV - Income Sustainable” aims to generate diversified income sources for investors with a 6% p.a. dividend distribution (on a monthly basis)¹ by allocating a 20/80 portfolio in stocks and bonds. While seeking for returns, the Fund closely follows the trend of sustainable investment which includes nine diversified sustainable investment strategies such as ESG-themed equities, green bonds and multilateral development bank debts.

Joyce Leung, Assistant General Manager, Personal Digital Banking Product Department, BOCHK said, “The asset size of global ESG funds is expected to increase at a compound annual growth rate of over 10% to an unprecedented level by 2026 or before, more than 80% higher compared with USD18.4 trillion in 2021, according to an analysis². BOCHK has the broadest selection of ESG funds among its major peers and the total assets under management of BOCHK customers investing in ESG funds surged by 1.3 times year-on-year at the end of 2022. In view of this, BOCHK is pleased to be the exclusive retail distributor of ‘UBS (Lux) Strategy SICAV - Income Sustainable’ to offer customers another income stream and meet their increasing demand for green investment.”

Chris Yiu, Deputy Head (Hong Kong) and Head of Wholesale Client Coverage (Hong Kong), UBS Asset management, said, “In face of the recent inflation hike, investors have been focusing on maintaining their purchasing power. We are glad to work with BOCHK to launch an ESG multi-asset fund – ‘UBS (Lux) Strategy SICAV - Income Sustainable’ on the bank’s platform. With reference to historical data, incorporating ESG into investment portfolios will help to better address challenges related to corporate operations and macro events, thereby improving risk-adjusted investment performance. We have embedded sustainability across a range of our investment strategies and our total ESG-integrated assets under management reached USD446 billion³. Our experienced sustainable investment team hopes to create a win-win solution for investors to gain potential wealth growth, as well as a brighter tomorrow.”

“UBS (Lux) Strategy SICAV - Income Sustainable” offers USD (Accumulating), USD (Distributing) and HKD (Distributing) share classes, with a minimum subscription amount of HKD1,000 or equivalents. The distributing share class aims to pay dividends on a monthly basis (the dividend payout ratio is not guaranteed, and dividends may be paid out of capital).

Remarks:

1. *A positive distribution yield does not imply a positive return. The share classes with “-mdist” aim to pay dividends on a monthly basis. Distribution yield = (Dividend per unit on last record date x 12 / Previous month-end NAV) x 100. The distribution yields shown here are for reference only.*
2. *KPMG’s analysis in October 2022.*
3. *Data as of 31 December 2021.*

Risk Disclosure:

The following risk disclosure statements cannot disclose all the risks involved and does not take into account any personal circumstances unknown to BOCHK. You should carefully consider whether trading or investment is suitable in light of your own risk tolerance, financial situation, investment experience, investment objectives, investment horizon and investment knowledge. You should undertake your own independent review and seek independent professional advice before you trade or invest especially if you are uncertain of or have not understood any aspect of the following risk disclosure statements or the nature and risks involved in trading or investment.

Risk disclosure of Fund:

Fund products or services are not equivalent to, nor should it be treated as a substitute for, time deposit. Although investment may bring profit opportunities, each investment product or service involves potential risks. Due to dynamic changes in the market, the price movement and volatility of investment products may not be the same as expected by you. Your fund may increase or reduce due to the purchase or sale of investment products. The value of investment funds may go up as well as down and the investment funds may become valueless. Therefore, you may not receive any return from investment funds. Part of your investment may not be able to liquidate immediately under certain market situation. The investment decision is yours but you should not invest in these products unless the intermediary who sells them to you has explained to you that these products are suitable for you having regard to your financial situation, investment experience and investment objectives. Before making any investment decisions, you should consider your own financial situation, investment objectives and experiences, risk acceptance and ability to understand the nature and risks of the relevant product. Investment involves risks. Please refer to the relevant fund offering documents for further details including risk factors. If you have any inquiries on this Risk Disclosure Statement or the nature and risks involved in trading or funds etc, you should seek advice from independent financial adviser.

This article does not constitute any offer, solicitation, recommendation, comment or guarantee to the purchase, subscription or sale of any investment product or service and it should not be considered as investment advice.

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Bank of China (Hong Kong) Limited

Bank of China (Hong Kong) Limited (“BOCHK”) is committed to promoting sustainable and high-quality development. Capitalising on our advantages as a major commercial banking group in Hong Kong, we continue to increase local market penetration, capture business opportunities in the Greater Bay Area and actively expand our business development in Southeast Asia. Adhering to our customer-centric philosophy, we explore every possibility to meet customers’ needs. We elevate customer experience with new technology and strive to make green and sustainable development a reality. We provide customers with comprehensive, professional and high-quality services, connecting them with opportunities to achieve more.

As one of the three note-issuing banks and the sole clearing bank for Renminbi (“RMB”) business in Hong Kong, BOCHK has strong market positions in all major businesses. Our strong RMB franchise has made us the first choice for customers in RMB business. Leveraging Hong Kong's most extensive branch network and diversified service platforms, as well as efficient e-channels such as internet and mobile banking services, we offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers.

We are actively pushing forward our regional development and expanding our business in the Southeast Asian region. With our branches and subsidiaries in Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos, Brunei and Myanmar, we support customers in the region with professional and high-quality financial services. Through close cooperation with our parent bank BOC, we provide a full range of high-quality cross-border services to multinationals, cross-border customers, mainland enterprises going global, central banks and super-sovereign organisations.

As a leading commercial and regional bank with deep roots in Hong Kong for over 100 years, BOCHK is committed to “serving where our roots are”, undertaking our corporate social responsibilities and delivering greater value for our stakeholders and the community.

BOC Hong Kong (Holdings) Limited is one of the largest listed companies on the Main Board of the Stock Exchange of Hong Kong, with stock code “2388” and ADR OTC Symbol “BHKLY”.

UBS Asset Management

UBS Asset Management is a large-scale asset manager with a presence in 23 markets. It offers investment capabilities and investment styles across all major traditional and alternative asset classes to institutions, wholesale intermediaries and wealth management clients around the world. It is a leading fund house in Europe, the largest mutual fund manager in Switzerland, the second largest fund of hedge funds manager and one of the largest real estate investment managers in the world.

Important information “UBS (Lux) Strategy SICAV - Income Sustainable”:

- The Fund invests at least 5% and up to 35% of its net assets in equity securities and at least 60% and up to 95% of its net assets in bonds. The Fund may invest in high yield bonds, emerging markets bonds and commodities.
- At least 70% of the net assets of the Fund are allocated to investment strategies (i.e. collective investment schemes and/or direct investments) that (a) either (i) promote environmental and/or social characteristics or deemed equivalent thereto; or (ii) have the reduction of carbon emissions as an objective, or deemed equivalent thereto; and (b) are subject to the portfolio manager’s sustainability focus strategy.
- The Fund’s investments may be subject to risks associated with a sustainable investment focus, investing in other collective investment schemes/funds, asset allocation strategy, debt securities, equities, currency, Renminbi currency, emerging markets, investments in instruments with loss-absorption features, securities lending transactions, implementation of active currency position, distribution out of/effectively out of the Fund’s capital, share classes with a fixed percentage in their names and hedged classes.
- The Fund’s sustainable investment focus carries the risk that the Fund may underperform funds that do not utilize a sustainable investment strategy. Further, the implementation of the sustainable investment strategy may result in foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities when it might be disadvantageous to do so, which may adversely affect the Fund’s investment performance.
- In assessing the eligibility of an issuer, there is a dependence upon information and data from external research data providers and internal analyses, which may be subjective, incomplete, inaccurate or unavailable. As a result, there is a risk of incorrectly or subjectively assessing a security or issuer or there is a risk that the Fund could have exposure to issuers who do not meet the relevant criteria. In addition, there is a lack of standardized taxonomy of ESG investments.
- The Fund’s investments in debt securities may be subject to credit/counterparty risk, interest rate risk, volatility and liquidity risk, downgrading risk, valuation risk, credit rating risk and below investment grade or unrated risk.
- The Fund may gain exposure to its investments through collective investment schemes in which case the Fund will not have control of the investments of the underlying funds and will be subject to the risks associated with the underlying funds, particularly where the Fund predominantly invests in underlying funds.
- The Fund may use financial derivative instruments for investment management and hedging purposes. Subject to the net derivative exposure of the Fund, the Fund may use financial derivative instruments extensively for investment purposes. The Fund’s net derivative exposure may be up to 50% of the Fund’s net asset value.
- In respect of share class with “-mdist” in their name, dividends may be paid out of or effectively out of capital amounts to a return or withdrawal of part of an investor’s original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per share.
- The distribution amount and net asset value of the hedged class of shares may be adversely affected by differences in the interest rates of the reference currency of the hedged class and the Fund’s base currency, resulting in an increase in the amount of distribution that is paid out of or effectively out of capital and hence a greater erosion of capital than other non-hedged classes.
- Share classes with a fixed percentage in their names do not distribute a fixed amount. The absolute distributions received by investors may vary from month to month depending on the net asset value of the Fund as of the end of the month.
- This investment may involve risks that could result in loss of part or entire amount of investors’ investment.
- Investors should not invest in the Fund solely based on this document and should read the relevant offering documents for further details including risk factors.
- Investors are responsible for their investment decisions and should seek independent financial and professional advice if required.