

Annual Report (Audited)

For the year ended 31 December 2023

BU Fund Series OFC

BU Asia Impact Bond Fund

BU Asian Bond Fixed Maturity Fund 2025



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Manager's report

Market commentary

Asian Bond Market

Rising US bond yields and a strong US dollar posed challenges to Asian bond prices. However, some sectors still presented opportunities, such as Macau's gaming industry, China's TMT (Technology, Media, and Telecommunications), Indonesia's semi-sovereign bonds and property, India's renewable energy, and South Korea's financial.

Asian central banks did not take unified actions in response to interest rate hikes, with some following the Federal Reserve's approach to support exchange rates. In China, the key policy rates were lowered to stimulate the economy and assist heavily indebted industries. However, the rebound was not as strong as anticipated, as debt issues among property developers and weak consumer demand hindered the economic recovery process.

Overall, inflation levels in Asia remained lower compared to Western economies. As inflation eased, some central banks paused their tightening cycles and gradually shifted towards a looser monetary policy. The shift provided them with the flexibility to drive growth through rate cuts. The monetary policy environment in most parts of Asia was better than at the beginning of 2023, creating a favorable backdrop for local currency bonds. However, uncertainties still persisted.

Custodian's report to the shareholders of BU Fund Series OFC (the "Company")

We hereby confirm that, in our opinion, the Manager of the Company and its Sub-funds has in all material respects managed the Company and its Sub-funds in accordance with the provisions of the Instrument of Incorporation, as amended and restated, during the year ended 31 December 2023.

For and on behalf of BNP Paribas in its capacity as Custodian of BU Fund Series OFC

18 April 2024

Independent auditor's report to the shareholders of BU Fund Series OFC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BU Fund Series OFC and its sub-funds (the "Company and its Sub-funds") set out on pages 7 to 59, which comprise the statement of assets and liabilities as at 31 December 2023, the statement of comprehensive income, the statement of changes in net assets attributable to shareholders/statement of changes in equity and statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including material accounting policies information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and its Sub-funds as at 31 December 2023, and of its financial performance and cash flows for the year ended 31 December 2023 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company and its Sub-funds in accordance with the HKICPA's *Code of Ethics for Professional Accountants* (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Manager and the Directors of the Company and its Sub-funds are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent auditor's report to the shareholders of BU Fund Series OFC (continued)

Report on the Audit of the Financial Statements (continued)

Responsibilities of Manager and Directors and those charged with governance for the financial statements

The Manager and the Directors of the Company and its Sub-funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager and the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Directors of the Company and its Sub-funds are responsible for assessing the Company's and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Directors either intend to liquidate the Company and its Sub-funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Directors of the Company and its Sub-funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation dated 29 April 2020, Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

Those charged with governance are responsible for overseeing the Company's and its Sub-funds' financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company and its Sub-funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

Independent auditor's report to the shareholders of BU Fund Series OFC (continued)

Report on the Audit of the Financial Statements (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its Sub-funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Directors.
- Conclude on the appropriateness of the Manager's and the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditor's report to the shareholders of BU Fund Series OFC (continued)

Report on matters under the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

18 April 2024

Statement of assets and liabilities at 31 December 2023 (Expressed in United States dollars)

	Note	BU Fund Series OFC		BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)		BU Asian Bond Fixed Maturity Fund 2025	
		2023 US\$	2022 US\$	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Assets							
Financial assets at fair value through profit or loss	6,12	-	-	32,490,015	40,839,145	13,392,057	21,147,187
Account Receivable		1	1	-	-	-	-
Amounts receivable from foreign currency forward contracts		-	-	320	-	21,583	6,881
Interest receivables		-	-	7,538	-	8,724	-
Amount due from brokers		-	-	-	-	23,116	-
Cash and cash equivalents	7(f)	-	-	75,275	399,912	515,494	561,770
Total assets		<u>1</u>	<u>1</u>	<u>32,573,148</u>	<u>41,239,057</u>	<u>13,960,974</u>	<u>21,715,838</u>
Liabilities							
Amount due to brokers		-	-	-	-	23,117	-
Amount payable on redemption		-	-	-	-	22,881	-
Accrued expenses and other payables	7(a), 7(b), 7(c), 7(d), 7(e)	-	-	49,503	53,329	36,735	49,885
Total liabilities		<u>-</u>	<u>-</u>	<u>49,503</u>	<u>53,329</u>	<u>82,733</u>	<u>49,885</u>
Net assets attributable to shareholders							
Financial liabilities		<u>-</u>	<u>-</u>	<u>32,523,645</u>	<u>-</u>	<u>13,878,241</u>	<u>21,665,953</u>
Equity		<u>1</u>	<u>1</u>	<u>-</u>	<u>41,185,728</u>	<u>-</u>	<u>-</u>

Approved and authorised for issue by the Directors on 18 April 2024

Director

Director

The accompanying notes form an integral part of these financial statements

Statement of comprehensive income

For the year ended 31 December 2023

(Expressed in United States dollars)

	Note	BU Fund Series OFC		BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)		BU Asian Bond Fixed Maturity Fund 2025	
		2023 US\$	2022 US\$	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Interest income	7(f)	-	-	18,127	14,860	20,599	8,913
Net gains/(losses) from financial assets at fair value through profit or loss	4	-	-	2,779,842	(5,375,612)	1,092,525	(6,169,232)
Net foreign exchange loss		-	-	(296)	(12,310)	(1,175)	(7,125)
Other income		-	-	305	562	27,000	1,053
Total investment income/(loss)		-	-	2,797,978	(5,372,500)	1,138,949	(6,166,391)
Administration fees	7(d)	-	-	(12,535)	(17,528)	(6,687)	(9,254)
Management fees	7(a)	-	-	(210,785)	(250,400)	(133,739)	(185,076)
Custodian's fees	7(c)	-	-	(24,480)	(30,422)	(11,156)	(14,540)
Auditors' remuneration		-	-	(9,622)	(9,229)	(7,721)	(7,405)
Registrar's fees	7(b)	-	-	(17,907)	(24,923)	(9,553)	(13,220)
Transaction costs		-	-	-	(44)	-	-
Legal and professional fee		-	-	(12,993)	(1,843)	(1,850)	(1,452)
Financial reporting fees	7(e)	-	-	(5,000)	(3,342)	(5,000)	(3,342)
Interest expense		-	-	(758)	(68)	(72)	(11)
Other operating expenses		-	-	(374)	(76)	(3,151)	(3,150)
Total operating expenses		-	-	(294,454)	(337,875)	(178,929)	(237,450)
Profit/(loss) before distribution to shareholders		-	-	2,503,524	(5,710,375)	960,020	(6,403,841)
Distributions to shareholders	14	-	-	(378,227)	-	(646,447)	(942,409)
Profit/(loss) before taxation		-	-	2,125,297	(5,710,375)	313,573	(7,346,250)
Taxation	5	-	-	-	-	-	-
Increase/(decrease) in net assets attributable to shareholders and total comprehensive income for the year		-	-	2,125,297	(5,710,375)	313,573	(7,346,250)

The accompanying notes form an integral part of these financial statements

Statement of changes in net assets attributable to shareholders/Statement of changes in equity for the year ended 31 December 2023 (Expressed in United States dollars)

	<i>BU Fund Series OFC</i>		<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023	2022	2023	2022	2023	2022
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at the beginning of the year	1	1	41,185,728	38,737,761	21,665,953	36,460,313
Increase/(decrease) in net assets attributable to shareholders and total comprehensive income for the year	-	-	2,125,297	(5,710,375)	313,573	(7,346,250)
Subscriptions and redemptions by shareholders						
Subscriptions of shares	-	-	17,835,236	19,361,004	-	-
Redemptions of shares	-	-	(28,622,616)	(11,202,662)	(8,101,285)	(7,448,110)
Net (redemptions)/subscriptions by shareholders	-	-	(10,787,380)	8,158,342	(8,101,285)	(7,448,110)
Balance at the end of the year	1	1	32,523,645	41,185,728	13,878,241	21,665,953

The accompanying notes form an integral part of these financial statements

Statement of changes in net assets attributable to shareholders/Statement of changes in equity for the year ended 31 December 2023 (continued) (Expressed in shares)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023 Shares	2022 Shares	2023 Shares	2022 Shares
Class I USD (Accumulating)				
Balance at the beginning of the year	4,406,485.27	3,729,224.50	-	-
Shares subscribed during the year	-	1,890,189.56	-	-
Shares redeemed during the year	(2,783,241.11)	(1,212,928.79)	-	-
	<u>1,623,244.16</u>	<u>4,406,485.27</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	1,623,244.16	4,406,485.27	-	-
Net asset value per share ⁽²⁾	<u>US\$ 10.03</u>	<u>US\$ 9.34</u>	<u>-</u>	<u>-</u>
Class A HKD (Distributing) ⁽¹⁾				
Balance at the beginning of the year	-	-	-	-
Shares subscribed during the year	31,655.97	-	-	-
Shares redeemed during the year	-	-	-	-
	<u>31,655.97</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	31,655.97	-	-	-
Net asset value per share ⁽²⁾	<u>US\$ 12.94</u>	<u>-</u>	<u>-</u>	<u>-</u>
Class A USD (Distributing) ⁽¹⁾				
Balance at the beginning of the year	-	-	-	-
Shares subscribed during the year	1,753,896.02	-	-	-
Shares redeemed during the year	(199,754.09)	-	-	-
	<u>1,554,141.93</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at the end of the year	1,554,141.93	-	-	-
Net asset value per share ⁽²⁾	<u>US\$ 10.08</u>	<u>-</u>	<u>-</u>	<u>-</u>

Statement of changes in net assets attributable to shareholders/Statement of changes in equity for the year ended 31 December 2023 (continued) (Expressed in shares)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023 Shares	2022 Shares	2023 Shares	2022 Shares
Class A RMB (Hedged) (Distributing) ⁽¹⁾				
Balance at the beginning of the year	-	-	-	-
Shares subscribed during the year	10,726.60	-	-	-
Shares redeemed during the year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of the year	10,726.60	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net asset value per share ⁽²⁾	US\$ 14.18	-	-	-
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Class A1 HKD (Distributing)				
Balance at the beginning of the year	-	-	837,151.80	1,256,483.02
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(239,755.38)	(419,331.22)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of the year	-	-	597,396.42	837,151.80
	<hr/>	<hr/>	<hr/>	<hr/>
Net asset value per share ⁽²⁾	-	-	US\$ 9.83	US\$ 9.57
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Class A1 RMB (Hedged) (Distributing)				
Balance at the beginning of the year	-	-	239,496.05	277,833.76
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(39,721.93)	(38,337.71)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of the year	-	-	199,774.12	239,496.05
	<hr/>	<hr/>	<hr/>	<hr/>
Net asset value per share ⁽²⁾	-	-	US\$ 10.69	US\$ 10.81
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Statement of changes in net assets attributable to shareholders/Statement of changes in equity for the year ended 31 December 2023 (continued) (Expressed in shares)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023 Shares	2022 Shares	2023 Shares	2022 Shares
Class A1 USD (Distributing)				
Balance at the beginning of the year	-	-	1,323,727.06	1,588,803.17
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(652,992.29)	(265,076.11)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of the year	-	-	670,734.77	1,323,727.06
	<hr/>	<hr/>	<hr/>	<hr/>
Net asset value per share ⁽²⁾	-	-	US\$ 7.63	US\$ 7.43
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Class A2 HKD (Distributing)				
Balance at the beginning of the year	-	-	102,979.45	181,212.33
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(41,805.91)	(78,232.88)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of the year	-	-	61,173.54	102,979.45
	<hr/>	<hr/>	<hr/>	<hr/>
Net asset value per share ⁽²⁾	-	-	US\$ 9.78	US\$ 9.52
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Class A2 RMB (Hedged) (Distributing)				
Balance at the beginning of the year	-	-	22,874.86	22,874.86
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(9,444.70)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at the end of the year	-	-	13,430.16	22,874.86
	<hr/>	<hr/>	<hr/>	<hr/>
Net asset value per share ⁽²⁾	-	-	US\$ 10.65	US\$ 10.77
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

⁽¹⁾ Class A HKD (Distributing), Class A USD (Distributing) and Class A RMB (Hedged) (Distributing) of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) were launched on 26 July 2023.

⁽²⁾ The net asset value per unit is rounded down to 2 decimal places in accordance with the Prospectus.

The accompanying notes form an integral part of these financial statements

Cash flow statement for the year ended 31 December 2023 (Expressed in United States dollars)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Operating activities				
Increase/(decrease) in net assets attributable to shareholders and total comprehensive income for the year	2,125,297	(5,710,375)	313,573	(7,346,250)
Adjustments for:				
Interest income	(18,127)	(14,860)	(20,599)	(8,913)
Distributions to shareholders	378,227	-	646,447	942,409
Net change in unrealised (gains)/losses from financial assets at fair value through profit or loss	(4,309,322)	3,827,557	(1,172,978)	(751,082)
Net realised losses/(gains) from financial assets at fair value through profit or loss	1,529,480	1,548,055	80,453	6,920,314
Operating losses before changes in working capital	(294,445)	(349,623)	(153,104)	(243,522)
Purchase of financial assets at fair value through profit or loss	(71,722,348)	(97,328,363)	-	(3,778,775)
Proceeds from sale of financial assets at fair value through profit or loss	82,844,321	87,980,990	8,983,457	12,926,540
Settlement of foreign currency forward contracts	(859)	-	(159,228)	(236,484)
Decrease in accrued expenses and other payables	(3,826)	(12,557)	(13,150)	(5,489)
(Increase)/decrease in amount due from brokers	-	-	(23,116)	128,266
Increase/(decrease) in amount due to brokers	-	-	23,117	(128,248)
Net cash generated from/(used in) operations	10,822,843	(9,709,553)	8,657,976	8,662,288
Interest received	18,127	14,860	20,599	8,913
Net cash generated from/(used in) operating activities	10,840,970	(9,694,693)	8,678,575	8,671,201
Financing activities				
Proceeds from subscription of shares	17,835,236	19,361,004	-	-
Payments on redemption of shares	(28,622,616)	(11,202,662)	(8,078,404)	(7,565,683)
Distribution paid	(378,227)	-	(646,447)	(942,409)
Cash (used in)/generated from financing activities	(11,165,607)	8,158,342	(8,724,851)	(8,508,092)

Cash flow statement for the year ended 31 December 2023 (continued)

(Expressed in United States dollars)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Net (decrease)/increase in cash and cash equivalents	(324,637)	(1,536,351)	(46,276)	163,109
Cash and cash equivalents at the beginning of the year	399,912	1,936,263	561,770	398,661
Cash and cash equivalents at the end of the year	75,275	399,912	515,494	561,770

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements

(Expressed in United States dollar unless otherwise indicated)

1 The Company

BU Fund Series OFC (the “Company”) is an open-ended fund company with variable capital and limited liability regulated under the Hong Kong Securities and Futures Ordinance (“SFO”). The Company is established with an umbrella structure and the sub-fund of the Company have segregated liability. The Company was incorporated pursuant to an Instrument of Incorporation filed to the Companies Registry of Hong Kong on and effective as of 29 April 2020, as amended and restated (the “Instrument”) with business registration number 71817286.

There were two sub-funds (collectively the “Sub-funds”) created under the Company as at 31 December 2023. These sub-funds were launched on the date set out below:

Name of sub-funds	Launch date
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	8 June 2020
BU Asian Bond Fixed Maturity Fund 2025	21 June 2021

The investment objective of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) is to seek medium to long term capital growth and regular income by primarily investing in impact bonds including green, social and sustainability bond instruments in Asia or that are denominated in Asian currencies.

The investment objective of BU Asian Bond Fixed Maturity Fund 2025 is, on a best effort basis, to seek regular income from the close of the launch period up to the sub-fund’s maturity date and seek to return the capital of the sub-fund by investing primarily in Asian fixed income related securities. The sub-fund is closed for subscriptions after the initial launch period from 7 June 2021 to 21 June 2021, except for re-open period as determined by the Manager at its discretion. The sub-fund is expected to mature on 25 August 2025.

The Sub-funds are authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under section 104 of the SFO. It is governed by the relevant provisions of the Code on Open Ended Fund Companies (the “OFC Code”) and the Code on Unit Trusts and Mutual Funds (the “UT Code”) issued by the SFC.

BEA Union Investment Management Limited (the “Manager”) is jointly owned by The Bank of East Asia, Limited and Union Asset Management Holding AG, and is licensed to carry on Types 1 (Dealing in Securities), 4 (Advising on Securities) and 9 (Asset Management) Regulated Activities under Part V of the SFO.

1 The Company (continued)

The Company has appointed the Manager to manage the assets of the Company (i.e. to carry out investment management functions) and to provide asset valuation and pricing functions in respect of the Company and the Sub-funds, pursuant to the Investment Management Agreement.

The Company has appointed BNP Paribas, acting through its Hong Kong branch (the “Custodian”), as the custodian for the Sub-funds. BNP Paribas, is a Société en commandite par actions (partnership limited by shares) incorporated under the laws of France, acting for the purposes herein through its Hong Kong branch. The Custodian carries on business as an authorised institution in Hong Kong registered under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) and has the capacity to provide custodial services.

The Custodian shall act as custodian of the assets of the Sub-funds in respect of which it has been so appointed, pursuant to the Custody Agreement. The Custodian is responsible for the safekeeping of all the investments, cash and other assets forming part of the assets of the Sub-funds, and such assets will be dealt with pursuant to the terms in the Custody Agreement. The Custodian must take reasonable care, skill and diligence to ensure the safekeeping of the relevant sub-funds’ property entrusted to it.

2 Material accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), and the relevant disclosure provisions of the OFC Code and the UT Code issued by the SFC. Material accounting policies adopted by the Sub-funds are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Sub-funds. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Sub-funds for the current and prior accounting periods reflected in these financial statements.

2 Material accounting policies (continued)

(b) Basis of preparation of the financial statements

The financial statements of the Sub-funds are presented in United States dollars (“USD”) and rounded to the nearest dollar.

The measurement basis used in the preparation of these financial statements is the historical cost basis except that financial instruments classified as designated at fair value through profit or loss are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Income and expenses

Interest income is recognised as it accrues using effective interest method. Interest on bank deposits is separately disclosed on the face of profit or loss. Interest income on debt securities is included in Net (losses)/gains from financial assets at fair value through profit or loss. All other income and expenses are accounted for on an accrual basis.

(d) Investments

(i) Classification of financial assets

On initial recognition, the Sub-funds classify financial assets as measured at amortised cost or fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).

All other financial assets of the Sub-funds are measured at FVTPL.

2 Material accounting policies (continued)

(d) Investments (continued)

(i) Classification of financial assets (continued)

Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-funds considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Sub-funds' management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-funds' continuing recognition of the assets.

The Sub-funds have determined that it has two business models.

- Held-to-collect business model: this includes amounts due from brokers, interest receivables and cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: this includes debt securities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

For the purposes of this assessment, "principal" is defined as the fair value of the financial asset on initial recognition. "Interest" is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

2 Material accounting policies (continued)

(d) Investments (continued)

(i) Classification of financial assets (continued)

In assessing whether the contractual cash flows are SPPI, the Sub-funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-funds' claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

The Sub-funds classify its investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-funds classify all its debt securities into financial assets at FVTPL category. Financial assets measured at amortised cost include amounts due from brokers, interest receivables and cash and cash equivalents.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

(ii) Classification of financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

Accordingly, financial liabilities measured at amortised cost include amount due to brokers, amount payable on redemption and accruals and other payables.

2 Material accounting policies (continued)

(d) Investments (continued)

(iii) Recognition

The Sub-funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

A regular way purchase or sale of financial assets or financial liabilities at fair value through profit or loss is recognised on a trade date basis. From this date, any gains or losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract not exempted from the scope of HKFRS 9.

(iv) Measurement

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair values recognised in profit or loss.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

(v) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Sub-funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

2 Material accounting policies (continued)

(d) Investments (continued)

(v) Fair value measurement principles (continued)

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealised gains or losses on investments arising from a change in fair value. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

(vi) Amortised cost measurement

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(vii) Impairment

The Sub-funds recognise loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Sub-funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-funds’ historical experience and informed credit assessment and including forward-looking information.

The Sub-funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-funds in full, without recourse by the Sub-funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of ‘investment grade’. The Sub-funds consider this to be Baa3 or higher per Moody’s or BBB- or higher per Standard & Poor’s.

2 Material accounting policies (continued)

(d) Investments (continued)

(vii) Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-funds are exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-funds expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Sub-funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of assets and liabilities

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Sub-funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

2 Material accounting policies (continued)

(d) Investments (continued)

(viii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

Assets held for trading that are sold are derecognised and corresponding receivables from brokers are recognised as of the date the Sub-funds commit to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

(ix) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Sub-funds have a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(e) Foreign currency forward contracts

Outstanding foreign currency forward contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gains and losses on outstanding contracts and realised gains and losses on closed contracts are included in profit or loss under the heading "Net gains/(losses) on financial assets at fair value through profit or loss".

(f) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities of the Sub-funds denominated in foreign currencies are translated into USD at the foreign exchange rates ruling at the end of the reporting period. Differences arising on foreign currency translation are recorded in the statement of comprehensive income.

(g) Related parties

(a) A person, or a close member of that person's family, is related to the Sub-funds if that person:

- (i) has control or joint control over the Sub-funds;
- (ii) has significant influence over the Sub-funds; or
- (iii) is a member of the key management personnel of the Sub-funds or the Sub-funds' parent.

2 Material accounting policies (continued)

(g) Related parties (continued)

- (b) An entity is related to the Sub-funds if any of the following conditions applies:
- (i) The entity and the Sub-funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Sub-funds.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group which it is a part, provides key management personnel services to the Sub-funds or to the Sub-funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(i) Taxation

Taxation for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period. Current tax also includes non-recoverable withholding taxes on investment income, capital gains and share dividends.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

2 Material accounting policies (continued)

(i) Taxation (continued)

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable capital gains will be available against which the asset can be utilised, are recognised.

The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

(j) Shares in issue

The Sub-funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Sub-funds' net assets in the event of the Sub-funds' liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Sub-funds' net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-funds over the life of the instrument.

In addition to the instrument having all the above features, the Sub-funds must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-funds; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

2 Material accounting policies (continued)

(j) Shares in issue (continued)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) has two classes of redeemable shares: Class A and Class I while Class A and Class I of the sub-fund has further separated its shares into accumulating shares, distributing shares and distributing hedged shares. Class I USD (Accumulating) shares, Class A HKD (Distributing), Class A USD (Distributing) shares and Class A RMB (Hedged) (Distributing) were in issue.

BU Asian Bond Fixed Maturity Fund 2025 has four classes of redeemable shares in issue: Class A1, A2, A3 and Class I while Class A1, A2, A3 and Class I of the sub-fund has further separated its shares into accumulating shares, distributing shares and distributing hedged shares. Class A1 HKD (Distributing) shares, Class A2 HKD (Distributing) shares, Class A1 RMB (Hedged) (Distributing) shares, Class A2 RMB (Hedged) (Distributing) shares and Class A1 USD (Distributing) shares were in issue.

All redeemable shares issued by the Sub-funds provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the corresponding Sub-funds' net assets at each daily redemption date and also in the event of the corresponding Sub-funds' liquidation.

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) and BU Asian Bond Fixed Maturity Fund 2025 have created multiple classes of shares, which rank pari passu in all material respects but have different terms and conditions as set out in the Placing Memorandum and Prospectus respectively, which include different currencies, minimum investment amounts, minimum realisation amount and minimum holding amount. The redeemable shares provide shareholders with the right to require redemption for cash at a value proportionate to the shareholders' share in the sub-fund's net assets at each redemption date but also in the event of the sub-fund's liquidation. The redeemable shares of the BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) are classified as financial liabilities and are measured at the present value of the redemption amounts as at 31 December 2023. The redeemable shares of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) meet the definition of puttable instruments and being classified as equity instruments as at 31 December 2022. The redeemable shares of the BU Asian Bond Fixed Maturity Fund 2025 are classified as financial liabilities and are measured at the present value of the redemption amounts as at 31 December 2023 and 2022.

The Manager and the Custodian continuously assess the classification of the redeemable shares. If the redeemable shares cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of HKAS 32, the Manager and the Custodian will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of HKAS 32, the Manager and the Custodian will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

(k) Distributions to holders of redeemable shares

Distributions to holders of redeemable shares classified as financial liabilities are recognised in the statements of comprehensive income as finance costs when they are authorised and no longer at the discretion of the Sub-funds.

2 Material accounting policies (continued)

(I) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as BEA Union Investment Management Limited (“the Manager”).

3 Changes in accounting policies

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Fund. None of these developments have had a material effect on how the Fund’s result and financial position for the current or prior periods have been prepared or presented.

The Fund adopted *Disclosure of Accounting Policies (Amendments to HKAS 1 and HKFRS Practice Statement 2)* from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note 2 Material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

The Fund has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 22).

4 Net gains/(losses) on financial assets at fair value through profit or loss

	<i>BU Asia Impact Bond Fund</i> <i>(formerly known as</i> <i>BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity</i> <i>Fund 2025</i>	
	2023 US\$	2022 US\$	2023 US\$	2022 US\$
Realised (losses)/gains on investments	(1,528,621)	(1,548,055)	78,775	(6,683,830)
Realised losses foreign currency forward contracts	(859)	-	(159,228)	(236,484)
Net change in unrealised gains/(losses) on investments	4,309,002	(3,827,557)	1,158,276	756,784
Net change in unrealised gains/(losses) on foreign currency forward contracts	320	-	14,702	(5,702)
	<u>2,779,842</u>	<u>(5,375,612)</u>	<u>1,092,525</u>	<u>(6,169,232)</u>

5 Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Sub-funds are exempted from taxation under section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

Capital gains, interest and dividend income including share dividend received by the Sub-funds may be subject to non-recoverable withholding tax imposed on the country of origin. Capital gains and investment income are recorded gross of withholding tax in profit or loss.

Under the general provisions of the PRC Corporate Income Tax Law and published tax circulars, the Sub-funds would be subject to PRC withholding tax at the rate of 10% in respect of its PRC sourced income earned, including capital gains realised on the sale of PRC listed companies (subject to the special tax treatment under Caishui [2014] No.79 ("Circular 79") as discussed below), dividend income derived from PRC listed companies and interest income earned in respect of PRC bank deposits and corporate bonds. This withholding taxation basis should apply as it is intended that the Sub-funds would be managed and operated in such a manner that they would not be considered as a tax resident enterprise in China or otherwise as having a taxable establishment in the PRC.

The Sub-funds' Placing Memorandum or Prospectus gives the Manager the right to provide for withholding tax on such gains or income and withhold the tax for the account of the Sub-funds. Under the current general provisions of the People's Republic of China ("PRC") Corporate Income Tax Law and published tax circulars, the Sub-funds would be subject to PRC withholding tax ("WIT") at the rate of 10% in respect dividend derived from onshore equity securities (including China A Shares acquired through the Stock Connects), if the relevant WIT is not withheld at source. The Manager currently does not intend to make provisions for any Mainland China tax payable by the Sub-funds on interest from debt securities issued in Mainland China during the tax exemption period up to 31 December 2025. Upon expiry of such period, a provision at a rate of 10% will be withheld on the interest income from debt securities issued by Mainland China (if relevant WIT is not withheld at source). No provision will be made on realised capital gain from debt securities issued in Mainland China.

As at 31 December 2023 and 2022, there is no tax charge for BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) and BU Asian Bond Fixed Maturity Fund 2025.

6 Financial assets at fair value through profit or loss

	<i>BU Asia Impact Bond Fund</i> <i>(formerly known as</i> <i>BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity</i> <i>Fund 2025</i>	
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Debt securities				
Bonds	32,490,015	40,839,145	13,392,057	21,147,187
Investments, at cost	31,903,835	44,437,679	14,226,853	23,039,145
Net unrealised gains/(losses)	586,180	(3,598,534)	(834,796)	(1,891,958)
Investments, at market value	32,490,015	40,839,145	13,392,057	21,147,187

7 Transactions with Manager and Connected Persons

The following is a summary of significant related party transactions or transactions entered into during the year between the Sub-funds, the Manager, the Custodian and their Connected Persons. Connected Persons are those as defined in the UT Code issued by the SFC.

All transactions during the year between the Sub-funds, the Manager, the Custodian and their Connected Persons were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Manager, the Sub-funds did not have any other transactions with Connected Persons except for those disclosed below. The relevant receivables and payables are unsecured, interest free and repayable on demand.

(a) Management fees

The Company appointed BEA Union Investment Management Limited to implement the investment strategy as specified in the Sub-funds' Placing Memorandum or Prospectus. The Manager is entitled to receive a management fee in respect of each class of shares calculated as a percentage of the net asset value of that part of the relevant sub-funds relating to the relevant class of shares as follows:

	<i>Class A</i> % p.a.	<i>Class I</i> % p.a.
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	1.0	0.5
BU Asian Bond Fixed Maturity Fund 2025	0.7	0.4

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The management fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the management fees payable for each sub-fund is as below:

	2023 US\$	2022 US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	21,233	17,743
BU Asian Bond Fixed Maturity Fund 2025	8,318	12,930

7 Transactions with Manager and Connected Persons (continued)

(b) Registrar fees

The Company appointed BEA Union Investment Management Limited as the registrar which delegates the transfer agency services to BNP Paribas, acting through its Hong Kong Branch, which is a connected party to the Custodian. The fee is calculated as a percentage of the net asset value of each sub-fund at the following rates, subject to a minimum of US\$3,000 per annum:

<i>Net Asset Value</i>	<i>% p.a.</i>
First US\$50 million	0.050%
Next US\$10 million	0.045%
Next US\$10 million	0.040%
Next US\$10 million	0.035%
Next US\$10 million	0.030%
Next US\$10 million	0.025%
Excess over US\$100 million	0.015%

The registrar fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the registrar fees payable for each sub-fund is as below:

	<i>2023</i>	<i>2022</i>
	US\$	US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	1,404	1,774
BU Asian Bond Fixed Maturity Fund 2025	594	924

(c) Custodian fees

The Custodian is entitled to receive a fee which is charged as a percentage of the net asset value of the Sub-funds relating to the relevant class of shares as follows:

	<i>Class A</i>	<i>Class I</i>
	<i>% p.a.</i>	<i>% p.a.</i>
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	0.03	0.03
BU Asian Bond Fixed Maturity Fund 2025	0.03	0.03

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The custodian fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the custodian fees payable for each sub-fund is as below:

	<i>2023</i>	<i>2022</i>
	US\$	US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	2,531	7,231
BU Asian Bond Fixed Maturity Fund 2025	1,250	13,900

7 Transactions with Manager and Connected Persons (continued)

(d) Administration fees

The administrator of the Company is BNP Paribas, acting through its Singapore branch (the “Administrator”), which is a group company of the Custodian. The Administrator is entitled to receive a fee which is charged as a percentage of the net asset value of the relevant sub-fund on each valuation day.

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The administration fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the administration fees payable for each sub-fund is as below:

	2023 US\$	2022 US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	2,953	8,436
BU Asian Bond Fixed Maturity Fund 2025	1,458	4,140

(e) Financial reporting fees

The Administrator also charged the Company financial reporting fees at each sub-fund a total amount of US\$10,000 (2022: US\$10,000). The financial reporting fees charged for the year for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the financial reporting fees payable for each sub-fund is as below:

	2023 US\$	2022 US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	8,343	3,342
BU Asian Bond Fixed Maturity Fund 2025	8,343	3,342

(f) Bank balances

The bank balance of a bank account maintained with the Custodian at each sub-fund, as at 31 December, is as below:

	2023 US\$	2022 US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	75,275	399,912
BU Asian Bond Fixed Maturity Fund 2025	515,494	561,770

7 Transactions with Manager and Connected Persons (continued)

(f) Bank balances (continued)

During the year, interest earned at each sub-fund from such bank account is as below:

	2023 US\$	2022 US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	18,127	14,860
BU Asian Bond Fixed Maturity Fund 2025	20,599	8,913

(g) Brokerage fee

During the year ended 31 December 2023, the Sub-Funds have incurred brokerage commission expense paid to the connected persons of the Custodian for its brokerage services. Investment transactions with the Sub-Funds are set out below:

2023

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>	<i>BU Asian Bond Fixed Maturity Fund 2025</i>
BNP PARIBAS EQUITIES		
Total aggregate value of purchases and sales of investments	US\$ 6,436,612	US\$ 201,276
% of the Sub-Fund's total aggregate value of transactions during the year	4.20%	2.47%
Total brokerage commission paid	US\$ -	US\$ -
Average rate of commission	-	-
BNP PARIBAS/BFI BONDS EX		
Total aggregate value of purchases and sales of investments	US\$ 3,576,161	US\$ -
% of the Sub-Fund's total aggregate value of transactions during the year	2.33%	-
Total brokerage commission paid	US\$ -	US\$ -
Average rate of commission	-	-

7 Transactions with Manager and Connected Persons (continued)

(g) Brokerage fee (continued)

2022

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>	<i>BU Asian Bond Fixed Maturity Fund 2025</i>
BNP PARIBAS EQUITIES		
Total aggregate value of purchases and sales of investments	US\$ 7,222,482	US\$ -
% of the Sub-Fund's total aggregate value of transactions during the year	3.93%	-
Total brokerage commission paid	US\$ -	US\$ -
Average rate of commission	-	-
BNP PARIBAS/BFI BONDS EX		
Total aggregate value of purchases and sales of investments	US\$ 4,388,910	US\$ -
% of the Sub-Fund's total aggregate value of transactions during the year	2.39%	-
Total brokerage commission paid	US\$ -	US\$ -
Average rate of commission	-	-

7 Transactions with Manager and Connected Persons (continued)

(h) Investments

During the year ended 31 December 2023 and 2022, BEA Union Investment Asia Pacific Multi Income Fund, BEA Union Investment Asian Strategic Bond Fund and BU China Gateway Fund had invested in BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund). These investment funds were managed by the Manager. Details of the transactions are shown below:

2023

<i>Name of related shareholders</i>	<i>BEA Union Investment Asia Pacific Multi Income Fund</i>	<i>BEA Union Investment Asian Strategic Bond Fund</i>	<i>BU China Gateway Fund</i>
<i>Name of investee funds</i>	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>
Number of shares held as at year end	<u>2,647,766.00</u>	<u>494,862.00</u>	<u>47,309.85</u>
Market value of shares held as at year end	<u>US\$ 26,703,466</u>	<u>US\$ 4,970,641</u>	<u>US\$ 476,883</u>
Total purchase during the year	<u>US\$ 13,633,502</u>	<u>US\$ 3,381,340</u>	<u>US\$ 466,002</u>
Total sales during year	<u>US\$ 18,886,060</u>	<u>US\$ 7,726,205</u>	<u>US\$ 2,010,351</u>

7 Transactions with Manager and Connected Persons (continued)

(h) Investments (continued)

2022

<i>Name of related shareholders</i>	<i>BEA Union Investment Asia Pacific Multi Income Fund</i>	<i>BEA Union Investment Asian Strategic Bond Fund</i>	<i>BU China Gateway Fund</i>
<i>Name of investee funds</i>	<i>BU APAC Bond Fund</i>	<i>BU APAC Bond Fund</i>	<i>BU APAC Bond Fund</i>
Number of shares held as at year end	<u>3,244,187.79</u>	<u>949,854.12</u>	<u>212,443.36</u>
Market value of shares held as at year end	US\$ <u>3,033,156</u>	US\$ <u>8,881,136</u>	US\$ <u>1,986,345</u>
Total purchase during the year	US\$ <u>18,609,744</u>	US\$ <u>-</u>	US\$ <u>751,260</u>
Total sales during year	US\$ <u>8,114,346</u>	US\$ <u>3,088,316</u>	US\$ <u>-</u>

8 Capital management and shares in issue

The Sub-funds' capital at the reporting date is represented by its redeemable shares.

The Sub-funds' objective in managing the capital is to ensure a stable and strong base to achieve long term capital growth, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of the Sub-funds in accordance with the Sub-funds' investment objectives and policies stated in the Sub-funds' Prospectus.

There were no changes in the policies and procedures during the year with respect to the Sub-funds' approach to its capital management.

The amount and the movement of net assets attributable to shareholders are stated in the statement of changes in net assets attributable to shareholders. As the redeemable share are redeemed on demand at the shareholders' option, the actual level of redemption may differ significantly from historic experience.

8 Capital management and shares in issue (continued)

One management share was issued to the Manager by the Company. Redeemable shares were issued by the Sub-funds and the movement are shown in the table below.

(a) Number of shares in issue

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023 Shares	2022 Shares	2023 Shares	2022 Shares
Class I USD (Accumulating)				
Balance at the beginning of the year	4,406,485.27	3,729,224.50	-	-
Shares subscribed during the year	-	1,890,189.56	-	-
Shares redeemed during the year	(2,783,241.11)	(1,212,928.79)	-	-
Balance at the end of the year	<u>1,623,244.16</u>	<u>4,406,485.27</u>	<u>-</u>	<u>-</u>
Class A HKD (Distributing) ⁽¹⁾				
Balance at the beginning of the year	-	-	-	-
Shares subscribed during the year	31,655.97	-	-	-
Shares redeemed during the year	-	-	-	-
Balance at the end of the year	<u>31,655.97</u>	<u>-</u>	<u>-</u>	<u>-</u>
Class A USD (Distributing) ⁽¹⁾				
Balance at the beginning of the year	-	-	-	-
Shares subscribed during the year	1,753,896.02	-	-	-
Shares redeemed during the year	(199,754.09)	-	-	-
Balance at the end of the year	<u>1,554,141.93</u>	<u>-</u>	<u>-</u>	<u>-</u>
Class A RMB (Hedged) (Distributing) ⁽¹⁾				
Balance at the beginning of the year	-	-	-	-
Shares subscribed during the year	10,726.60	-	-	-
Shares redeemed during the year	-	-	-	-
Balance at the end of the year	<u>10,726.60</u>	<u>-</u>	<u>-</u>	<u>-</u>

8 Capital management and shares in issue (continued)

(a) Number of shares in issue (continued)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023 Shares	2022 Shares	2023 Shares	2022 Shares
Class A1 HKD (Distributing)				
Balance at the beginning of the year	-	-	837,151.80	1,256,483.02
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(239,755.38)	(419,331.22)
	<u>-</u>	<u>-</u>	<u>(239,755.38)</u>	<u>(419,331.22)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>597,396.42</u>	<u>837,151.80</u>
Class A1 RMB (Hedged) (Distributing)				
Balance at the beginning of the year	-	-	239,496.05	277,833.76
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(39,721.93)	(38,337.71)
	<u>-</u>	<u>-</u>	<u>(39,721.93)</u>	<u>(38,337.71)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>199,774.12</u>	<u>239,496.05</u>
Class A1 USD (Distributing)				
Balance at the beginning of the year	-	-	1,323,727.06	1,588,803.17
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(652,992.29)	(265,076.11)
	<u>-</u>	<u>-</u>	<u>(652,992.29)</u>	<u>(265,076.11)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>670,734.77</u>	<u>1,323,727.06</u>
Class A2 HKD (Distributing)				
Balance at the beginning of the year	-	-	102,979.45	181,212.33
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(41,805.91)	(78,232.88)
	<u>-</u>	<u>-</u>	<u>(41,805.91)</u>	<u>(78,232.88)</u>
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>61,173.54</u>	<u>102,979.45</u>
Class A2 RMB (Hedged) (Distributing)				
Balance at the beginning of the year	-	-	22,874.86	22,874.86
Shares subscribed during the year	-	-	-	-
Shares redeemed during the year	-	-	(9,444.70)	-
	<u>-</u>	<u>-</u>	<u>(9,444.70)</u>	<u>-</u>
Balance at the end of the year	<u>-</u>	<u>-</u>	<u>13,430.16</u>	<u>22,874.86</u>

⁽¹⁾ Class A HKD (Distributing), Class A USD (Distributing) and Class A RMB (Hedged) (Distributing) of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) were launched on 26 July 2023.

8 Capital management and shares in issue (continued)

(b) Net asset value per share

Different classes of shares may be offered for the Sub-funds. Each class of shares may be denominated in a different class currency or may have different charging structure or class specific liabilities with the result that the net asset value attributable to each class of shares of the Sub-funds may differ. In addition, each class of shares may be subject to different minimum initial subscription amount, minimum subsequent subscription amount, minimum holding amount and minimum redemption amount. At the end of the reporting year, the net asset value per share of each class is as follows:

	<i>BU Asia Impact Bond Fund</i> <i>(formerly known as</i> <i>BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed</i> <i>Maturity Fund 2025</i>	
	2023	2022	2023	2022
<i>Class I USD (Accumulating)</i>				
At the beginning of the year	US\$ 9.34	US\$ 10.38	US\$ -	US\$ -
At the end of the year	US\$ 10.03	US\$ 9.34	US\$ -	US\$ -
<i>Class A HKD (Distributing) ⁽¹⁾</i>				
At the beginning of the year	HK\$ -	HK\$ -	HK\$ -	HK\$ -
At the end of the year	HK\$ 101.06	HK\$ -	HK\$ -	HK\$ -
<i>Class A USD (Distributing) ⁽¹⁾</i>				
At the beginning of the year	US\$ -	US\$ -	US\$ -	US\$ -
At the end of the year	US\$ 10.08	US\$ -	US\$ -	US\$ -
<i>Class A RMB (Hedged) (Distributing) ⁽¹⁾</i>				
At the beginning of the year	RMB -	RMB -	RMB -	RMB -
At the end of the year	RMB 101.00	RMB -	RMB -	RMB -

8 Capital management and shares in issue (continued)

(b) Net asset value per share (continued)

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	2023	2022	2023	2022
<i>Class A1 HKD (Distributing)</i>				
At the beginning of the year	HK\$ -	HK\$ -	HK\$ 74.70	HK\$ 93.48
At the end of the year	HK\$ -	HK\$ -	HK\$ 76.79	HK\$ 74.70
<i>Class A1 RMB (Hedged) (Distributing)</i>				
At the beginning of the year	RMB -	RMB -	RMB 74.84	RMB 93.92
At the end of the year	RMB -	RMB -	RMB 76.18	RMB 74.84
<i>Class A1 USD (Distributing)</i>				
At the beginning of the year	US\$ -	US\$ -	US\$ 7.43	US\$ 9.30
At the end of the year	US\$ -	US\$ -	US\$ 7.63	US\$ 7.43
<i>Class A2 HKD (Distributing)</i>				
At the beginning of the year	HK\$ -	HK\$ -	HK\$ 74.33	HK\$ 93.01
At the end of the year	HK\$ -	HK\$ -	HK\$ 76.41	HK\$ 74.33
<i>Class A2 RMB (Hedged) (Distributing)</i>				
At the beginning of the year	RMB -	RMB -	RMB 74.54	RMB 93.54
At the end of the year	RMB -	RMB -	RMB 75.87	RMB 74.54

(1) Class A HKD (Distributing), Class A USD (Distributing) and Class A RMB (Hedged) (Distributing) of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) were launched on 26 July 2023.

9 Establishment costs

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) and BU Asian Bond Fixed Maturity Fund 2025 were commenced on 8 June 2020 and 21 June 2021 respectively. Establishment costs for establishing the sub-fund, BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund), were US\$53,952 and were fully expensed during the period from 8 June 2020 (launch date) to 31 December 2020 in accordance with HKFRSs. BU Asian Bond Fixed Maturity Fund 2025, will share the establishment costs with BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) from 21 June 2021 to date of maturity 25 August 2025. There was no unamortised amount as at 31 December 2023 (2022: US\$ Nil).

Per the Prospectus of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund), the establishment costs are amortised over the first five accounting periods of the sub-fund and as of 31 December 2023 and 2022, the remaining amortisation period and amount is one (2022: two) years and US\$8,612 (2022: US\$17,255).

Per the Prospectus of BU Asian Bond Fixed Maturity Fund 2025, the establishment costs are amortised over the first four accounting periods of the sub-fund and as of 31 December 2023 and 2022, the remaining amortisation period and amount is one (2022: two) years and US\$9,704 (2022: US\$15,563).

The differences between expensing the establishment costs as incurred in accordance with HKFRSs and amortisation of the establishment costs indicated in the Sub-funds' Prospectus or Placing Memorandum resulted in adjustments in the net asset value (see note 10).

10 Reconciliation of net asset value

The net asset value presented in the financial statements differs from that quoted for pricing purposes at the year end ("Dealing NAV") are different, as the principles for calculating the Dealing NAV as set out in the Sub-funds' Prospectus are different from those required for financial reporting purposes under HKFRSs. The following reconciliation provides details of the differences:

	<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>		<i>BU Asian Bond Fixed Maturity Fund 2025</i>	
	<i>2023</i>	<i>2022</i>	<i>2023</i>	<i>2022</i>
	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>	<i>US\$</i>
Net asset value as reported in the financial statements as at 31 December	32,523,645	41,185,728	13,878,241	21,665,953
Adjustments for different basis adopted by the sub-fund in arriving at the Dealing NAV:				
Unamortised establishment cost	8,612	17,255	9,704	15,563
Dealing NAV as at 31 December	<u>32,532,257</u>	<u>41,202,983</u>	<u>13,887,945</u>	<u>21,681,516</u>

11 Financial instruments and associated risks

The investment objective of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) is to seek medium to long term capital growth and regular income by primarily investing in impact bonds including green, social and sustainability bond instruments in Asia or that are denominated in Asian currencies. The sub fund primarily invests in Green, Social and Sustainability Bonds ("Impact bonds") where proceeds will be allocated to well defined projects that contribute to the environment and society. At least 70% of the sub fund's Net Asset Value will be invested in Asia Impact Bonds.

The investment objective of BU Asian Bond Fixed Maturity Fund 2025 is, on a best effort basis, to seek regular income from the close of the launch year up to the sub-fund's maturity date and seek to return the capital of the sub-fund by investing primarily in Asian fixed income related securities. At least 70% of the sub-fund's Net Asset Value will be invested in USD denominated debt securities that are issued or guaranteed by Asian governments or entities incorporated in Asia or have significant operations or assets in, or derive significant portion of revenue or profits from Asia.

The Sub-funds' investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The Manager and the Custodian have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Custodian would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Sub-funds. Shareholders should note that additional information in respect of risks associated with financial instruments in the Sub-funds can be found in the Sub-funds' Prospectus.

The Directors delegate the investment function of the Sub-funds to the Manager.

The nature and extent of the financial instruments outstanding at the end of the reporting year and the risk management policies employed by the Sub-funds are discussed below.

(a) **Market risk**

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Sub-funds' strategies on the management of market risk are driven by the Sub-funds' investment objectives.

The Sub-funds' market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. The Sub-funds' overall market position is monitored on a yearly basis by the Custodian. Details of the nature of the Sub-funds' investment portfolios at the reporting date are disclosed in the investment report.

(i) **Currency risk**

The Sub-funds hold assets and liabilities denominated in currencies other than their functional currencies and are therefore exposed to currency risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the Sub-funds' assets and liabilities denominated in currencies other than USD.

11 Financial instruments and associated risks (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Manager monitors all the Sub-funds' foreign currency positions on a regular basis.

Sensitivity analysis

The Sub-funds' net direct exposure to each currency other than USD at the reporting date and their estimated impact to the net assets attributable to shareholders and the change in net assets attributable to shareholders from operations for the year had the USD weakened by 5% are illustrated below.

	As at 31 December 2023		As at 31 December 2022	
	Net direct exposure US\$	Estimated increase had the USD weakened by 5% US\$	Net direct exposure US\$	Estimated increase had the USD weakened by 5% US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)				
Australian dollars	1,710	86	1,654	83
Euro	975	49	2,856	143
Indonesian rupiah	11,894	595	11,764	588
Renminbi	164,818	8,241	14,789	739
BU Asian Bond Fixed Maturity Fund 2025				
Euro	57	3	55	3
Renminbi	2,340,065	117,003	2,915,642	145,782

A 5% appreciation of USD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risk arises from changes in interest rates which may inversely affect the value of debt instruments and therefore result in potential gain or loss to the Sub-funds. The Sub-funds' interest rate risk is managed on a regular basis by the Manager.

The following tables illustrates the interest rate risk exposure of the Sub-funds. It includes the Sub-funds' interest rate sensitivity gaps and the year in which the interest bearing assets and liabilities reprice (the earlier of contractual re-pricing or maturity) as at year end.

11 Financial instruments and associated risks (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)

As at 31 December 2023

	Up to 1 year US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	561,020	21,997,909	9,931,086	-	32,490,015
Cash and cash equivalents	75,275	-	-	-	75,275
Other assets	-	-	-	7,858	7,858
Total assets	<u>636,295</u>	<u>21,997,909</u>	<u>9,931,086</u>	<u>7,858</u>	<u>32,573,148</u>
Liabilities (excluding net assets attributable to shareholders)					
Other liabilities	-	-	-	49,503	49,503
Total interest sensitivity gap	<u>636,295</u>	<u>21,997,909</u>	<u>9,931,086</u>		

As at 31 December 2022

	Up to 1 year US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	1,000,457	17,097,288	22,741,400	-	40,839,145
Cash and cash equivalents	399,912	-	-	-	399,912
Total assets	<u>1,400,369</u>	<u>17,097,288</u>	<u>22,741,400</u>	<u>-</u>	<u>41,239,057</u>
Liabilities (excluding net assets attributable to shareholders)					
Other liabilities	-	-	-	53,329	53,329
Total interest sensitivity gap	<u>1,400,369</u>	<u>17,097,288</u>	<u>22,741,400</u>		

11 Financial instruments and associated risks (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

BU Asian Bond Fixed Maturity Fund 2025

As at 31 December 2023

	Up to 1 year US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	-	13,392,057	-	-	13,392,057
Cash and cash equivalents	515,494	-	-	-	515,494
Other assets	-	-	-	53,423	53,423
Total assets	<u>515,494</u>	<u>13,392,057</u>	<u>-</u>	<u>53,423</u>	<u>13,960,974</u>
Liabilities (excluding net assets attributable to shareholders)					
Other liabilities	-	-	-	82,733	82,733
Total interest sensitivity gap	<u>515,494</u>	<u>13,392,057</u>	<u>-</u>	<u>82,733</u>	<u>13,960,974</u>

As at 31 December 2022

	Up to 1 year US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
Assets					
Investments	-	21,147,187	-	-	21,147,187
Cash and cash equivalents	561,770	-	-	-	561,770
Other assets	-	-	-	6,881	6,881
Total assets	<u>561,770</u>	<u>21,147,187</u>	<u>-</u>	<u>6,881</u>	<u>21,715,838</u>
Liabilities (excluding net assets attributable to shareholders)					
Other liabilities	-	-	-	49,885	49,885
Total interest sensitivity gap	<u>561,770</u>	<u>21,147,187</u>	<u>-</u>	<u>49,885</u>	<u>21,715,838</u>

11 Financial instruments and associated risks (continued)

(a) Market risk (continued)

(ii) Interest rate risk (continued)

At year end, should the relevant market interest rates have been increased by a certain percentage with all other variables held constant, the estimated impact on the net assets attributable to shareholders and the change in net assets attributable to shareholders from operations for the year are shown in the table below:

	<i>BU Asia Impact Bond Fund</i>		<i>BU Asian Bond Fixed Maturity</i>	
	<i>(formerly known as</i>		<i>Fund 2025</i>	
	<i>BU APAC Bond Fund)</i>			
	2023	2022	2023	2022
	US\$	US\$	US\$	US\$
Estimated decrease if interest rate had increased by 50 basis points	<u>(724,712)</u>	<u>(1,054,361)</u>	<u>(74,045)</u>	<u>(196,652)</u>

(iii) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices other than those arising from interest rate risk or currency risk, whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

The breakdown of investments held by the Sub-funds is shown in the investment report.

Each sub-fund's market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio.

As at 31 December 2023 and 2022, BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) and BU Asian Bond Fixed Maturity Fund 2025 only held debt securities and was not significantly exposed to other price risk.

(b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Custodian has received payments.

For purchase transactions, payments are made once securities have been received by the Custodian. The trade will fail if either party fails to meet their obligation.

The Manager monitors the Sub-funds' credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

11 Financial instruments and associated risks (continued)

(b) Credit risk (continued)

Amounts arising from ECL

Impairment on amounts due from brokers, amounts receivable from foreign currency forward contract, interest receivables and cash and cash equivalents have been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Sub-funds consider that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Sub-funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Sub-funds supplement this by reviewing changes in bond yields, where available and regulatory information about counterparties.

The Manager considers the probability of the counterparties not being able to pay is minimal as they have capacity to meet their contractual obligations in the near term and thus there is no impairment allowance recognised on amounts due from brokers, amounts receivable from foreign currency forward contract interest receivables and cash and cash equivalents. The amount of the loss allowance did not change during 2023 and 2022.

Credit rating category of debt securities

As at 31 December 2023 and 2022, BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund), BU Asian Bond Fixed Maturity Fund 2025 invested in debt securities with the following credit ratings equivalent to which provided by Standard & Poor's credit rating services expressed as a percentage of debt securities:

	2023	2022
	%	%
BU Asia Impact Bond Fund		
(formerly known as BU APAC Bond Fund)		
Portfolio by credit rating category of debt securities		
AA+	2.55	0.36
AA	4.36	2.56
AA-	11.05	4.40
A+	26.77	18.31
A	34.63	24.33
A-	3.43	16.56
BBB+	5.31	9.05
BBB	10.12	20.09
BBB-	1.78	3.43
NR	-	0.91
	100.00	100.00
	100.00	100.00

11 Financial instruments and associated risks (continued)

(b) Credit risk (continued)

	2023	2022
	%	%
BU Asian Bond Fixed Maturity Fund 2025		
Portfolio by credit rating category of debt securities		
AA	3.53	3.86
AA-	2.51	1.53
A+	14.16	14.98
A	14.21	13.43
A-	9.26	8.41
BBB+	10.58	10.43
BBB	21.50	21.04
BBB-	9.13	9.20
BB+	4.10	3.44
BB	4.89	4.79
BB-	6.13	4.62
B+	-	4.27
	100.00	100.00

The Sub-funds' investments and cash are held by and deposited with the Custodian. Bankruptcy or insolvency of the Custodian may cause to Sub-funds' execution of their rights with respect to the assets held by the Custodian to be delayed or limited. The Manager monitors the credit quality of the Custodian on an on-going basis.

Other than the outlined above, there were no significant concentrations of credit risk at 31 December 2023 and 2022.

(c) Liquidity risk

Liquidity risk arises from the risk that the Sub-funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The Sub-funds' exposure to liquidity risk arises because of the possibility that the Sub-funds could be required to pay its liabilities or redeem its shares earlier than expected. The Sub-funds are exposed to daily cash redemption of its redeemable shares. Shares are redeemable at the shareholders' option based on the Sub-funds' net asset value per share at the time of redemption.

The Sub-funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements in the short and long-term.

The Sub-funds invest the majority of assets in investments that are traded in an active market, and can be readily disposed of. The Manager monitors the Sub-funds' liquidity position on a regular basis.

As at 31 December 2023 and 2022, all the financial liabilities of the Sub-funds are repayable on demand or due within three months.

11 Financial instruments and associated risks (continued)

(d) Specific instruments

As at 31 December 2023 and 2022, the details of foreign currency forward contracts held by the Sub-funds are as follows:

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)

2023

<i>Expiration</i>	<i>Underlying</i>		<i>Notional amount of contracts outstanding</i>	<i>Fair value US\$</i>
31 January 2024	Buy Chinese Renminbi/ Sell United States dollars	RMB	1,083,539	320

BU Asian Bond Fixed Maturity Fund 2025

2023

<i>Expiration</i>	<i>Underlying</i>		<i>Notional amount of contracts outstanding</i>	<i>Fair value US\$</i>
31 January 2024	Buy Chinese Renminbi/ Sell United States dollars	RMB	15,470,700	20,121
31 January 2024	Buy United States dollars/ Sell Chinese Renminbi	USD	10,525	(27)
31 January 2024	Buy United States dollars/ Sell Chinese Renminbi	USD	4	-
31 January 2024	Buy Chinese Renminbi/ Sell United States dollars	RMB	1,148,161	1,493
31 January 2024	Buy United States dollars/ Sell Chinese Renminbi	USD	23,155	(4)
				<u>21,583</u>

2022

<i>Expiration</i>	<i>Underlying</i>		<i>Notional amount of contracts outstanding</i>	<i>Fair value US\$</i>
31 January 2023	Buy Chinese Renminbi/ Sell United States dollars	RMB	18,357,704	6,283
31 January 2023	Buy Chinese Renminbi/ Sell United States dollars	RMB	1,746,321	598
				<u>6,881</u>

12 Fair value information

The Sub-funds' financial instruments are measured at fair value at the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates. For certain other financial instruments including interest receivable and other payables, the carrying amounts approximate fair values due to the immediate or short term nature of these financial instruments.

Valuation of financial instruments

The Sub-funds' accounting policy on fair value measurements is detailed in material accounting policies in note 2(d)(v).

The Sub-funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

When fair values of listed and quoted investments at the reporting date are based on quoted market prices or binding dealer price quotations in an active market, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. When fair values of fixed income instruments at the reporting date represent quoted prices on markets that are considered less than active, those fixed income instruments are included within Level 2 of the hierarchy.

Over the counter ("OTC") derivative contracts include forward contracts related to foreign currencies contracts. Foreign currency forward contracts valued by the Sub-funds using pricing models fall into this category and are categorised with Level 2 of the fair value hierarchy.

12 Fair value information (continued)

The following analyses financial instruments at fair value the end of the reporting year, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)</i>				
As at 31 December 2023				
Debt securities	-	32,490,015	-	32,490,015
Foreign currency forward contracts	-	320	-	320
	<u>-</u>	<u>32,490,335</u>	<u>-</u>	<u>32,490,655</u>
As at 31 December 2022				
Debt securities	-	40,839,145	-	40,839,145
	<u>-</u>	<u>40,839,145</u>	<u>-</u>	<u>40,839,145</u>
<i>BU Asian Bond Fixed Maturity Fund 2025</i>				
As at 31 December 2023				
Debt securities	-	13,392,057	-	13,392,057
Foreign currency forward contracts	-	21,583	-	21,583
	<u>-</u>	<u>13,413,640</u>	<u>-</u>	<u>13,413,640</u>
As at 31 December 2022				
Debt securities	-	21,147,187	-	21,147,187
Foreign currency forward contracts	-	6,881	-	6,881
	<u>-</u>	<u>21,154,068</u>	<u>-</u>	<u>21,154,068</u>

During the year ended 31 December 2023 and 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

13 Critical accounting estimates and assumptions

The Custodian makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Fair value of investments

The Sub-funds hold a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Custodian exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fairly value the investments may be indicative only and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of 31 December 2023 and 2022. Actual transacted prices may differ from the quotes provided by the brokers. The Custodian considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

14 Distributions

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)

	2023 US\$	2022 US\$
Amount available for distribution to shareholders at the beginning of the year	-	-
Profit for the year available for distribution*	(1,805,798)	-
Distributions to shareholders	(378,227)	-
	(2,184,025)	-
Undistributed income carried forward	(2,184,025)	-

* Profit for the year available for distribution is the adjusted total comprehensive income for the year, for which the calculation basis is in accordance with the dividend record and schedule issued by BEA Union Investment Management Limited.

14 Distributions (continued)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) (continued)

Distribution history:

	2023 US\$
<i>Class A HKD (Distributing) Shares</i>	
HK\$0.5420 per unit on 31,656 units on 15 September 2023	2,194
HK\$0.5420 per unit on 31,656 units on 16 October 2023	2,193
HK\$0.5300 per unit on 31,656 units on 15 November 2023	2,152
HK\$0.5250 per unit on 31,656 units on 15 December 2023	2,129
	8,668
	8,668
 <i>Class A USD (Distributing) Shares</i>	
US\$0.0542 per unit on 1,753,896 units on 15 September 2023	95,061
US\$0.0538 per unit on 1,753,896 units on 16 October 2023	94,360
US\$0.0527 per unit on 1,753,896 units on 15 November 2023	92,430
US\$0.0523 per unit on 1,639,757 units on 15 December 2023	85,759
	367,610
	367,610
 <i>Class A RMB (Hedged) (Distributing) Shares</i>	
RMB0.3340 per unit on 10,727 units on 15 September 2023	490
RMB0.3320 per unit on 10,727 units on 16 October 2023	486
RMB0.3250 per unit on 10,727 units on 15 November 2023	488
RMB0.3230 per unit on 10,727 units on 15 December 2023	485
	1,949
	1,949

14 Distributions (continued)

BU Asian Bond Fixed Maturity Fund 2025

	2023 US\$	2022 US\$
Amount available for distribution to shareholders at the beginning of the year	(7,869,485)	227,850
Profit for the year available for distribution*	(212,958)	(7,154,926)
Distributions to shareholders	(646,447)	(942,409)
	(8,728,890)	(7,869,485)
Undistributed income carried forward	(8,728,890)	(7,869,485)

* Profit for the year available for distribution is the adjusted total comprehensive income for the year, for which the calculation basis is in accordance with the dividend record and schedule issued by BEA Union Investment Management Limited.

Distribution history:

	2023 US\$
Class A1 HKD (Distributing) Shares	
HK\$0.225 per share on 835,172 shares on 16 January 2023	24,014
HK\$0.225 per share on 827,247 shares on 15 February 2023	23,726
HK\$0.225 per share on 816,356 shares on 15 March 2023	23,409
HK\$0.225 per share on 772,004 shares on 17 April 2023	22,104
HK\$0.225 per share on 716,558 shares on 15 May 2023	20,625
HK\$0.225 per share on 697,059 shares on 15 June 2023	20,037
HK\$0.225 per share on 686,168 shares on 18 July 2023	19,763
HK\$0.225 per share on 664,199 shares on 15 August 2023	19,065
HK\$0.225 per share on 659,278 shares on 15 September 2023	18,966
HK\$0.225 per share on 611,357 shares on 16 October 2023	17,581
HK\$0.225 per share on 599,872 shares on 15 November 2023	17,314
HK\$0.225 per share on 597,396 shares on 15 December 2023	17,211
	243,815

14 Distributions (continued)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

Distribution history: (continued)

	2023 US\$
<i>Class A2 HKD (Distributing) Shares</i>	
HK\$0.225 per share on 102,979 shares on 16 January 2023	2,961
HK\$0.225 per share on 100,009 shares on 15 February 2023	2,868
HK\$0.225 per share on 100,009 shares on 15 March 2023	2,868
HK\$0.225 per share on 100,009 shares on 17 April 2023	2,867
HK\$0.225 per share on 100,009 shares on 15 May 2023	2,879
HK\$0.225 per share on 100,009 shares on 15 June 2023	2,875
HK\$0.225 per share on 100,009 shares on 18 July 2023	2,880
HK\$0.225 per share on 100,009 shares on 15 August 2023	2,871
HK\$0.225 per share on 100,009 shares on 15 September 2023	2,877
HK\$0.225 per share on 100,009 shares on 16 October 2023	2,876
HK\$0.225 per share on 61,174 shares on 15 November 2023	1,766
HK\$0.225 per share on 61,174 shares on 15 December 2023	1,762
	32,350

Class A1 RMB (Hedged) (Distributing) Shares

RMB0.227 per share on 239,496 shares on 16 January 2023	8,027
RMB0.196 per share on 239,496 shares on 15 February 2023	6,821
RMB0.164 per share on 239,496 shares on 15 March 2023	5,705
RMB0.133 per share on 236,803 shares on 17 April 2023	4,564
RMB0.131 per share on 225,652 shares on 15 May 2023	4,204
RMB0.099 per share on 220,900 shares on 15 June 2023	3,045
RMB0.100 per share on 210,009 shares on 18 July 2023	2,922
RMB0.100 per share on 208,028 shares on 15 August 2023	2,851
RMB0.069 per share on 206,068 shares on 15 September 2023	1,944
RMB0.068 per share on 204,879 shares on 16 October 2023	1,903
RMB0.069 per share on 201,513 shares on 15 November 2023	1,947
RMB0.067 per share on 200,759 shares on 15 December 2023	1,967
	45,900

14 Distributions (continued)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

Distribution history: (continued)

	2023 US\$
<i>Class A2 RMB (Hedged) (Distributing) Shares</i>	
RMB0.227 per share on 22,875 shares on 16 January 2023	767
RMB0.195 per share on 22,875 shares on 15 February 2023	648
RMB0.163 per share on 22,875 shares on 15 March 2023	542
RMB0.132 per share on 22,875 shares on 17 April 2023	438
RMB0.131 per share on 22,875 shares on 15 May 2023	426
RMB0.099 per share on 22,875 shares on 15 June 2023	315
RMB0.099 per share on 15,598 shares on 18 July 2023	215
RMB0.100 per share on 15,598 shares on 15 August 2023	214
RMB0.068 per share on 15,598 shares on 15 September 2023	145
RMB0.068 per share on 15,598 shares on 16 October 2023	145
RMB0.068 per share on 15,598 shares on 15 November 2023	149
RMB0.069 per share on 15,598 shares on 15 December 2023	151
	4,155

Class A1 USD (Distributing) Shares

US\$0.0225 per share on 1,323,727 shares on 16 January 2023	29,784
US\$0.0225 per share on 1,323,727 shares on 15 February 2023	29,784
US\$0.0225 per share on 1,323,727 shares on 15 March 2023	29,784
US\$0.0225 per share on 1,222,260 shares on 17 April 2023	27,501
US\$0.0225 per share on 1,222,260 shares on 15 May 2023	27,501
US\$0.0225 per share on 1,200,181 shares on 15 June 2023	27,004
US\$0.0225 per share on 1,200,181 shares on 18 July 2023	27,004
US\$0.0225 per share on 1,187,310 shares on 15 August 2023	26,714
US\$0.0225 per share on 1,187,310 shares on 15 September 2023	26,714
US\$0.0225 per share on 1,187,310 shares on 16 October 2023	26,714
US\$0.0225 per share on 1,178,769 shares on 15 November 2023	26,522
US\$0.0225 per share on 675,617 shares on 15 December 2023	15,201
	320,227

14 Distributions (continued)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

Distribution history: (continued)

	2022 US\$
Class A1 HKD (Distributing) Shares	
HKD\$0.225 per share on 1,156,483 shares on 17 January 2022	33,421
HKD\$0.225 per share on 1,151,533 shares on 15 February 2022	33,216
HKD\$0.225 per share on 1,092,050 shares on 15 March 2022	31,403
HKD\$0.225 per share on 1,071,307 shares on 19 April 2022	30,715
HKD\$0.225 per share on 1,071,307 shares on 16 May 2022	30,712
HKD\$0.225 per share on 1,053,997 shares on 15 June 2022	30,210
HKD\$0.225 per share on 1,046,400 shares on 15 July 2022	29,994
HKD\$0.225 per share on 989,684 shares on 15 August 2022	28,381
HKD\$0.225 per share on 977,347 shares on 15 September 2022	28,014
HKD\$0.225 per share on 932,912 shares on 17 October 2022	26,720
HKD\$0.225 per share on 908,462 shares on 15 November 2022	26,199
HKD\$0.225 per share on 837,152 shares on 15 December 2022	24,174
	353,159

Class A2 HKD (Distributing) Shares

HKD\$0.225 per share on 181,212 shares on 17 January 2022	5,237
HKD\$0.225 per share on 181,212 shares on 15 February 2022	5,227
HKD\$0.225 per share on 150,455 shares on 15 March 2022	4,326
HKD\$0.225 per share on 150,455 shares on 19 April 2022	4,314
HKD\$0.225 per share on 114,812 shares on 16 May 2022	3,291
HKD\$0.225 per share on 114,812 shares on 15 June 2022	3,291
HKD\$0.225 per share on 114,812 shares on 15 July 2022	3,291
HKD\$0.225 per share on 114,812 shares on 15 August 2022	3,292
HKD\$0.225 per share on 102,979 shares on 15 September 2022	2,952
HKD\$0.225 per share on 102,979 shares on 17 October 2022	2,952
HKD\$0.225 per share on 102,979 shares on 15 November 2022	2,970
HKD\$0.225 per share on 102,979 shares on 15 December 2022	2,974
	44,117

14 Distributions (continued)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

Distribution history: (continued)

	2022 US\$
<i>Class A1 RMB (Hedged) (Distributing) Shares</i>	
RMB0.327 per share on 277,834 shares on 17 January 2022	14,331
RMB0.335 per share on 268,534 shares on 15 February 2022	14,224
RMB0.325 per share on 262,982 shares on 15 March 2022	13,424
RMB0.320 per share on 257,071 shares on 19 April 2022	12,485
RMB0.313 per share on 257,071 shares on 16 May 2022	12,009
RMB0.314 per share on 254,214 shares on 15 June 2022	11,938
RMB0.315 per share on 254,214 shares on 15 July 2022	11,802
RMB0.280 per share on 244,817 shares on 15 August 2022	10,021
RMB0.280 per share on 243,832 shares on 15 September 2022	9,665
RMB0.279 per share on 240,583 shares on 17 October 2022	9,268
RMB0.228 per share on 239,496 shares on 15 November 2022	7,606
RMB0.228 per share on 239,496 shares on 15 December 2022	7,819
	134,592

Class A2 RMB (Hedged) (Distributing) Shares

RMB0.326 per share on 22,875 shares on 17 January 2022	1,176
RMB0.335 per share on 22,875 shares on 15 February 2022	1,212
RMB0.325 per share on 22,875 shares on 15 March 2022	1,168
RMB0.320 per share on 22,875 shares on 19 April 2022	1,111
RMB0.312 per share on 22,875 shares on 16 May 2022	1,065
RMB0.313 per share on 22,875 shares on 15 June 2022	1,071
RMB0.313 per share on 22,875 shares on 15 July 2022	1,055
RMB0.279 per share on 22,875 shares on 15 August 2022	933
RMB0.279 per share on 22,875 shares on 15 September 2022	903
RMB0.278 per share on 22,875 shares on 17 October 2022	878
RMB0.227 per share on 22,875 shares on 15 November 2022	723
RMB0.227 per share on 22,875 shares on 15 December 2022	744
	12,039

14 Distributions (continued)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

Distribution history: (continued)

	2022 US\$
<i>Class A1 USD (Distributing) Shares</i>	
US\$0.0225 per share on 1,588,803 shares on 17 January 2022	35,748
US\$0.0225 per share on 1,585,536 shares on 15 February 2022	35,675
US\$0.0225 per share on 1,585,536 shares on 15 March 2022	35,675
US\$0.0225 per share on 1,534,972 shares on 19 April 2022	34,537
US\$0.0225 per share on 1,532,016 shares on 16 May 2022	34,470
US\$0.0225 per share on 1,532,016 shares on 15 June 2022	34,470
US\$0.0225 per share on 1,532,016 shares on 15 July 2022	34,470
US\$0.0225 per share on 1,502,626 shares on 15 August 2022	33,809
US\$0.0225 per share on 1,332,626 shares on 15 September 2022	29,984
US\$0.0225 per share on 1,330,656 shares on 17 October 2022	29,940
US\$0.0225 per share on 1,330,656 shares on 15 November 2022	29,940
US\$0.0225 per share on 1,323,727 shares on 15 December 2022	29,784
	398,502
	398,502

15 Soft dollar commission

As regards to the Sub-funds, the Manager has not entered into any soft dollar commission arrangements during the year ended 31 December 2023 and 2022.

16 Segment information

The Manager makes the strategic resource allocation on behalf of the Company and the Sub-funds and determine the operating segments based on the internal reporting used to make strategic decisions. The Manager's asset allocation decisions for the Sub-funds are based on one single, integrated investment strategy, and the Sub-funds' performance are evaluated on an overall basis. Accordingly the Manager considers that the Sub-funds have one single operating segment which is investing in a portfolio of financial instruments to generate investment returns in accordance with the investment objective stipulated in the Prospectus or Placing Memorandum. The investment objectives and the investment portfolio of the Sub-funds are presented in the investment report.

There were no changes in the operating segment during the year.

The internal reporting provided to the Manager is the same as that disclosed in the statement of comprehensive income and the statement of assets and liabilities.

17 Bank loans, overdrafts and other borrowings

The Sub-funds had no bank loans, overdrafts or other borrowings as at 31 December 2023 and 2022.

18 Security lending arrangements

During the year ended 31 December 2023 and 2022, the Sub-funds did not enter into any security lending arrangements.

19 Negotiability of assets

As at 31 December 2023 and 2022, there were no statutory or contractual requirements restricting the negotiability of the assets of the Sub-funds.

20 Commitments

As at 31 December 2023 and 2022, the Sub-funds had no commitments.

21 Contingent liabilities and capital commitment

As at 31 December 2023 and 2022, the Sub-funds had no contingent liabilities or capital commitment outstanding.

22 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2023

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the year ended 31 December 2023 and which have not been adopted in these financial statements. These include the following which may be relevant to the Company.

*Effective for
accounting year
beginning on or after*

Amendments to HKAS 1, *Presentation of financial statements:*

Classification of liabilities as current or non-current ("2020 amendments")

1 January 2024

Amendments to HKAS 21, *The effects of changes in foreign exchange rates: Lack of exchangeability*

1 January 2025

The Company is in the process of making an assessment of what the impact of these amendments and interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the financial statements.

23 Subsequent events

Except as disclosed elsewhere in this financial statement, there were no other significant events subsequent to the year end which require disclosure in the financial statements.

Portfolio statement as at 31 December 2023

(Expressed in United States dollars)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)

	<i>Holdings</i>	<i>Market value US\$</i>	<i>% of net assets value</i>
Quoted investments (99.90%)			
Debt securities (99.90%)			
Denominated in United States Dollar (99.90%)			
ABN AMRO Bank NV 2.47% due 13/12/2029	500,000	440,248	1.35
Airport Authority 4.75% due 12/01/2028	600,000	620,699	1.91
Alibaba Group Holding Limited 2.7% due 09/02/2041	1,500,000	1,045,605	3.22
Alibaba Group Holding Limited 4% due 06/12/2037	200,000	173,094	0.53
Alibaba Group Holding Limited 4.2% due 06/12/2047	300,000	246,287	0.76
Alibaba Group Holding Limited 4.4% due 06/12/2057	350,000	286,897	0.88
Baidu Incorporation 1.625% due 23/02/2027	1,500,000	1,367,382	4.20
Baidu Incorporation 2.375% due 23/08/2031	300,000	250,489	0.77
BNP Paribas SA 1.675% due 30/06/2027	900,000	824,334	2.53
China Merchants Bank Company Limited/Hong Kong 1.2% due 10/09/2025	1,000,000	941,380	2.89
CNAC HK Finbridge Company Limited 3.7% due 22/09/2050	200,000	143,578	0.44
CNAC HK Finbridge Company Limited 4.75% due 19/06/2049	200,000	169,453	0.52
CNOOC Finance 2013 Limited 3.3% due 30/09/2049	250,000	189,045	0.58
DAH Sing Bank Limited 7.375% due 15/11/2033	300,000	314,704	0.97
First Abu Dhabi Bank PJSC 4.774% due 06/06/2028	400,000	400,158	1.23
Hong Kong Mortgage Corporation Limited/The 4.875% due 13/09/2028	200,000	207,363	0.64

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) (continued)

	Holdings	Market value US\$	% of net assets value
Quoted investments (99.90%) (continued)			
Debt securities (99.90%) (continued)			
Denominated in United States Dollar (99.90%) (continued)			
Hongkong Land Finance Cayman Islands Company Limited/The 2.25% due 15/07/2031	1,800,000	1,491,993	4.59
Huarong Finance 2017 Company Limited 4.25% due 07/11/2027	200,000	184,009	0.57
Huarong Finance li Company Limited 4.625% due 03/06/2026	200,000	191,233	0.59
Hyundai Capital Services Incorporation 1.25% due 08/02/2026	200,000	184,741	0.57
ICBCIL Finance Company Limited 2.25% due 02/11/2026	850,000	791,161	2.43
Indonesia Government International Bond 5.25% due 08/01/2047	300,000	321,918	0.99
KB Kookmin Card Company Limited 1.5% due 13/05/2026	850,000	780,113	2.40
KB Kookmin Card Company Limited 4% due 09/06/2025	800,000	785,996	2.42
Kodit Global 2023-1 Company Limited 4.954% due 25/05/2026	200,000	200,531	0.62
Korea Housing Finance Corporation 4.625% due 24/02/2028	1,200,000	1,216,783	3.74
LG Energy Solution Limited 5.625% due 25/09/2026	250,000	256,388	0.79
Link Finance Cayman 2009 Limited/The 2.875% due 21/07/2026	1,600,000	1,542,236	4.74
Lotte Property & Development Company Limited 4.5% due 01/08/2025	1,200,000	1,207,764	3.71
Meituan 3.05% due 28/10/2030	300,000	254,705	0.78
Mirae Asset Securities Company Limited 1.375% due 07/07/2024	570,000	561,020	1.72
Mizuho Financial Group Incorporation 3.261% due 22/05/2030	1,300,000	1,189,621	3.66

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) (continued)

	Holdings	Market value US\$	% of net assets value
Quoted investments (99.90%) (continued)			
Debt securities (99.90%) (continued)			
Denominated in United States Dollar (99.90%) (continued)			
Mizuho Financial Group Incorporation 5.778% due 06/07/2029	200,000	211,558	0.65
Naver Corporation 1.5% due 29/03/2026	1,000,000	928,173	2.85
Nonghyup Bank 1.25% due 20/07/2025	750,000	711,833	2.19
Nonghyup Bank 4.875% due 03/07/2028	250,000	257,231	0.79
Norinchukin Bank/The 1.284% due 22/09/2026	1,300,000	1,182,780	3.64
Norinchukin Bank/The 5.43% due 09/03/2028	500,000	519,322	1.60
Pertamina Persero PT 5.625% due 20/05/2043	300,000	305,984	0.94
Pertamina Persero PT 6% due 03/05/2042	200,000	211,493	0.65
Pertamina Persero PT 6.5% due 07/11/2048	750,000	842,535	2.59
Philippine Government International Bond 5.5% due 17/01/2048	550,000	594,394	1.83
REC Limited 5.625% due 11/04/2028	200,000	205,678	0.63
Shinhan Card Company Limited 1.375% due 23/06/2026	966,000	881,026	2.71
Shinhan Card Company Limited 2.5% due 27/01/2027	1,200,000	1,118,885	3.44

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) (continued)

	Holdings	Market value US\$	% of net assets value
Quoted investments (99.90%) (continued)			
Debt securities (99.90%) (continued)			
Denominated in United States Dollar (99.90%) (continued)			
Shinhan Financial Group Company Limited 5% due 24/07/2028	500,000	510,638	1.57
SK Battery America Incorporation 2.125% due 26/01/2026	400,000	373,460	1.15
SK Hynix Incorporation 2.375% due 19/01/2031	250,000	205,604	0.63
SK On Company Limited 5.375% due 11/05/2026	1,000,000	1,013,085	3.12
Sumitomo Mitsui Trust Bank Limited 1.55% due 25/03/2026	1,400,000	1,303,475	4.01
Sumitomo Mitsui Trust Bank Limited 5.5% due 09/03/2028	500,000	520,856	1.60
Tencent Holdings Limited 3.68% due 22/04/2041	200,000	158,639	0.49
Tencent Holdings Limited 3.84% due 22/04/2051	250,000	189,933	0.58
Tencent Holdings Limited 3.975% due 11/04/2029	150,000	144,028	0.44
United Overseas Bank Limited 2% due 14/10/2031	600,000	549,281	1.69
Vanke Real Estate Hong Kong Company Limited 3.975% due 09/11/2027	250,000	167,658	0.52
Woori Card Company Limited 1.75% due 23/03/2026	200,000	184,965	0.57
Zhongan Online P&C Insurance Company Limited 3.125% due 16/07/2025	250,000	234,638	0.72

Portfolio statement as at 31 December 2023 (continued)
 (Expressed in United States dollars)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) (continued)

	<i>Holdings</i>	<i>Market value US\$</i>	<i>% of net assets value</i>
Quoted investments (99.90%) (continued)			
Debt securities (99.90%) (continued)			
Denominated in United States Dollar (99.90%) (continued)			
Zhongan Online P&C Insurance Company Limited 3.5% due 08/03/2026	200,000	181,935	0.56
		32,490,015	99.90
Total debt securities			
		32,490,015	99.90
Total listed/quoted investments			

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) (continued)

Underlying	<i>Counterparty</i>	<i>Notional amount of contracts outstanding</i>	<i>Fair value US\$</i>	<i>% of net assets</i>
Foreign currency forward contract (0.00%)				
Buy Chinese Renminbi/ Sell United States dollars	BNP Paribas	RMB 1,083,539	320	0.00
Total foreign currency forward contract			320	0.00
Other net assets			33,310	0.10
Total net assets			32,523,645	100.00
Total investments, at cost			31,903,835	

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asian Bond Fixed Maturity Fund 2025

	<i>Holdings</i>	<i>Market value US\$</i>	<i>% of net assets value</i>
Quoted investments (96.50%)			
Debt securities (96.50%)			
Denominated in United States Dollar (96.50%)			
AIA Group Limited 3.2% due 11/03/2025	400,000	395,715	2.85
Baidu Incorporation 4.125% due 30/06/2025	423,000	416,463	3.00
Bank Mandiri Persero TBK PT 4.75% due 13/05/2025	650,000	649,404	4.68
Bharat Petroleum Corporation Limited 4% due 08/05/2025	600,000	592,607	4.27
BOC Aviation Limited 3.25% due 29/04/2025	550,000	537,959	3.88
CITIC Limited 2.45% due 25/02/2025	350,000	341,903	2.46
CNAC HK Finbridge Company Limited 4.875% due 14/03/2025	600,000	604,602	4.36
CNOOC Finance 2015 USA LLC 3.5% due 05/05/2025	300,000	296,003	2.13
COSL Singapore Capital Limited 4.5% due 30/07/2025	400,000	403,162	2.90
Geely Finance Hong Kong Limited 3% due 05/03/2025	650,000	629,718	4.54
Global Prime Capital Private Limited 5.95% due 23/01/2025	800,000	821,475	5.92
Greenko Solar Mauritius Limited 5.55% due 29/01/2025	650,000	654,578	4.72
HKT Capital No 2 Limited 3.625% due 02/04/2025	320,000	317,032	2.28
Hyundai Capital America 5.875% due 07/04/2025	500,000	509,704	3.67
Indonesia Asahan Aluminium PT / Mineral Industri Indonesia Persero Pt 4.75% due 15/05/2025	600,000	596,142	4.30

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

	Holdings	Market value US\$	% of net assets value
Quoted investments (96.50%) (continued)			
Debt securities (96.50%) (continued)			
Denominated in United States Dollar (96.50%) (continued)			
JSW Steel Limited 5.375% due 04/04/2025	550,000	548,993	3.96
Kookmin Bank 1.75% due 04/05/2025	350,000	336,007	2.42
Korea Electric Power Corporation 1.125% due 15/06/2025	500,000	473,295	3.41
Minmetals Bounteous Finance BVI Limited 4.75% due 30/07/2025	350,000	355,076	2.56
Mirae Asset Securities Company Limited 2.625% due 30/07/2025	650,000	624,312	4.50
Mitsubishi UFJ Financial Group Incorporation 0.953% due 19/07/2025	500,000	489,549	3.53
Pelabuhan Indonesia Persero PT 4.25% due 05/05/2025	700,000	692,616	4.99
Reliance Industries Limited 4.125% due 28/01/2025	550,000	552,723	3.98
Shanghai Port Group BVI Development 2 Company Limited 1.5% due 13/07/2025	350,000	334,069	2.41
Spic MTN Company Limited 1.625% due 27/07/2025	500,000	477,606	3.44
Sumitomo Mitsui Financial Group Incorporation 1.474% due 08/07/2025	400,000	381,286	2.75
Sunny Express Enterprises Corporation 2.625% due 23/04/2025	370,000	360,058	2.59
Total debt securities		13,392,057	96.50
Total listed/quoted investments		13,392,057	96.50

Portfolio statement as at 31 December 2023 (continued)

(Expressed in United States dollars)

BU Asian Bond Fixed Maturity Fund 2025 (continued)

Underlying	<i>Counterparty</i>	<i>Notional amount of contracts outstanding</i>	<i>Fair value US\$</i>	<i>% of net assets</i>
Foreign currency forward contracts (0.15%)				
Buy Chinese Renminbi/ Sell United States dollars	BNP Paribas	RMB 15,470,700	20,121	0.14
Buy United States dollars/ Sell Chinese Renminbi	BNP Paribas	USD 10,525	(27)	(0.00)
Buy United States dollars/ Sell Chinese Renminbi	BNP Paribas	USD 4	0	0.00
Buy Chinese Renminbi/ Sell United States dollars	BNP Paribas	RMB 1,148,161	1,493	0.01
Buy United States dollars/ Sell Chinese Renminbi	BNP Paribas	USD 23,155	(4)	(0.00)
Total foreign currency forward contracts			21,583	0.15
Other net assets			464,601	3.35
Total net assets			13,878,241	100.00
Total investments, at cost			14,226,853	

Statement of movements in portfolio holdings for the year ended 31 December 2023 *(Expressed in United States dollars)*

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)

	<i>% of net assets</i>	
	<i>At 31 December 2023</i>	<i>At 31 December 2022</i>
Debt securities		
United States Dollar	99.90	99.16
Foreign currency forward contract	-	-
	99.90	99.16

BU Asian Bond Fixed Maturity Fund 2025

	<i>% of net assets</i>	
	<i>At 31 December 2023</i>	<i>At 31 December 2022</i>
Debt securities		
United States Dollar	96.50	97.61
Foreign currency forward contracts	0.15	0.03
	96.65	97.64

Performance record

(a) Total net asset value (calculated in accordance with HKFRS)

	2023 US\$	2022 US\$	2021 US\$	2020 US\$
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)	<u>32,523,645</u>	<u>41,185,728</u>	<u>38,737,761</u>	<u>42,590,914</u>
BU Asian Bond Fixed Maturity Fund 2025 ⁽¹⁾	<u>13,878,241</u>	<u>21,665,953</u>	<u>36,460,313</u>	<u>-</u>

⁽¹⁾ The launch date for BU Asian Bond Fixed Maturity Fund 2025 was 21 June 2021.

(b) Net asset value per share (calculated in accordance with HKFRS)

	<i>Denomination currency</i>	2023	2022	2021	2020
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) ⁽¹⁾					
- Class I USD (Accumulating)	US\$	10.03	9.34	10.38	10.40
- Class A HKD (Distributing) ⁽³⁾	HK\$	101.06	-	-	-
- Class A USD (Distributing) ⁽³⁾	US\$	10.08	-	-	-
- Class A RMB (Hedged) (Distributing) ⁽³⁾	RMB	101.00	-	-	-
BU Asian Bond Fixed Maturity Fund 2025 ⁽²⁾					
- Class A1 HKD (Distributing)	HK\$	76.79	74.70	93.48	-
- Class A1 RMB (Hedged) (Distributing)	RMB	76.18	74.84	93.92	-
- Class A1 USD (Distributing)	US\$	7.63	7.43	9.30	-
- Class A2 HKD (Distributing)	HK\$	76.41	74.33	93.01	-
- Class A2 RMB (Hedged) (Distributing)	RMB	75.87	74.54	93.54	-

⁽¹⁾ The launch date for BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) was 8 June 2020.

⁽²⁾ The launch date for BU Asian Bond Fixed Maturity Fund 2025 was 21 June 2021.

⁽³⁾ Class A HKD (Distributing), Class A USD (Distributing) and Class A RMB (Hedged) (Distributing) of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) was launched on 26 July 2023.

Performance record (continued)

(c) Highest and lowest price record (dealing net asset value per share)

	Denomination currency	2023		2022	
		Highest net asset value per share	Lowest net asset value per share	Highest net asset value per share	Lowest net asset value per share
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) ⁽¹⁾					
- Class I USD (Accumulating)	US\$	10.04	9.38	10.37	8.89
- Class A HKD (Distributing) ⁽³⁾	HK\$	101.25	96.43	-	-
- Class A USD (Distributing) ⁽³⁾	US\$	10.09	9.60	-	-
- Class A RMB (Hedged) (Distributing) ⁽³⁾	RMB	101.17	96.36	-	-
BU Asian Bond Fixed Maturity Fund 2025 ⁽²⁾					
- Class A1 HKD (Distributing)	HK\$	76.87	74.39	93.54	73.17
- Class A1 RMB (Hedged) (Distributing)	RMB	76.25	73.90	94.03	73.19
- Class A1 USD (Distributing)	US\$	7.64	7.37	9.31	7.23
- Class A2 HKD (Distributing)	HK\$	76.49	74.03	93.10	72.82
- Class A2 RMB (Hedged) (Distributing)	RMB	75.94	73.65	93.66	72.90

Performance record (continued)

(c) Highest and lowest price record (dealing net asset value per share) (continued)

	Denomination currency	2021		2020	
		Highest net asset value per share	Lowest net asset value per share	Highest net asset value per share	Lowest net asset value per share
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) ⁽¹⁾					
- Class I USD (Accumulating)	US\$	10.52	10.22	10.41	9.95
- Class A HKD (Distributing) ⁽³⁾	HK\$	-	-	-	-
- Class A USD (Distributing) ⁽³⁾	US\$	-	-	-	-
- Class A RMB (Hedged) (Distributing) ⁽³⁾	RMB	-	-	-	-
BU Asian Bond Fixed Maturity Fund 2025 ⁽²⁾					
- Class A1 HKD (Distributing)	HK\$	100.10	87.49	-	-
- Class A1 RMB (Hedged) (Distributing)	RMB	100.16	87.87	-	-
- Class A1 USD (Distributing)	US\$	10.00	8.71	-	-
- Class A2 HKD (Distributing)	HK\$	99.50	87.08	-	-
- Class A2 RMB (Hedged) (Distributing)	RMB	99.69	87.53	-	-

⁽¹⁾ The launch date for BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) was 8 June 2020.

⁽²⁾ The launch date for BU Asian Bond Fixed Maturity Fund 2025 was 21 June 2021.

⁽³⁾ Class A HKD (Distributing), Class A USD (Distributing) and Class A RMB (Hedged) (Distributing) of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) was launched on 26 July 2023.

Performance record (continued)

(d) Fund Expense Ratio (“FER”)

	<i>Transaction costs for the year ended 31 December 2023 US\$</i>	<i>FER for the year ended 31 December 2023 %</i>
BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)		
- Class I USD (Accumulating)	-	0.74
- Class A HKD (Distributing) ⁽¹⁾	-	1.20
- Class A USD (Distributing) ⁽¹⁾	-	1.22
- Class A RMB (Hedged) (Distributing) ⁽¹⁾	-	1.20
BU Asian Bond Fixed Maturity Fund 2025		
- Class A1 HKD (Distributing)	-	0.94
- Class A1 RMB (Hedged) (Distributing)	-	0.94
- Class A1 USD (Distributing)	-	0.93
- Class A2 HKD (Distributing)	-	0.94
- Class A2 RMB (Hedged) (Distributing)	-	0.93

⁽¹⁾ Class A HKD (Distributing), Class A USD (Distributing) and Class A RMB (Hedged) (Distributing) of BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund) was launched on 26 July 2023.

Information on exposure arising from financial derivative instruments

BU Asia Impact Bond Fund (formerly known as BU APAC Bond Fund)

	<i>Gross exposure</i> ⁽¹⁾			<i>Net exposure</i> ⁽²⁾		
	<i>Highest</i>	<i>Lowest</i>	<i>Average exposure</i>	<i>Highest</i>	<i>Lowest</i>	<i>Average exposure</i>
Foreign currency forward contracts	1.38%	0.42%	0.53%	-	-	-

BU Asian Bond Fixed Maturity Fund 2025

	<i>Gross exposure</i> ⁽¹⁾			<i>Net exposure</i> ⁽²⁾		
	<i>Highest</i>	<i>Lowest</i>	<i>Average exposure</i>	<i>Highest</i>	<i>Lowest</i>	<i>Average exposure</i>
Foreign currency forward contracts	50.66%	12.51%	20.20%	-	-	-

⁽¹⁾ Gross exposure arising from the use of financial derivative instruments for any purposes, with reference to equivalent market value of the underlying assets of the financial derivative instruments, as a proportion to the scheme's total net asset value.

⁽²⁾ The positions of financial derivative instruments acquired by a scheme for investment purposes are converted into the equivalent position in the underlying assets of the financial derivative instruments, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and time available to liquidate the positions.

Conversion method of calculating exposure of non-exhaustive list of derivatives

Type of Derivatives	Conversion Method
Foreign currency forward contracts	Notional value of currency leg(s)

Administration

Directors of the Company

Wan Yuen Yung	(Resigned on 31 December 2023)
Tjiang Man Kin	
Tsang Sin Man	
Cheung Kwok Choi	(Resigned on 31 December 2023)
Lo Sui Yan Rex	
Janet Li Tze Yan	(Appointed on 15 January 2024)
Samson Chan Tsz Wing	(Appointed on 15 January 2024)

Manager and Registrar

BEA Union Investment Management Limited
5th Floor, The Bank of East Asia Building,
10 Des Voeux Road Central,
Hong Kong

Custodian

BNP Paribas, acting through its Hong Kong Branch
21/F., PCCW Tower,
Taikoo Place, 979 King's Road,
Hong Kong

Administrator

BNP Paribas, acting through its Singapore branch
20 Collyer Quay, #01-01,
Singapore 049319

Auditor

KPMG
8th Floor, Prince's Building,
10 Chater Road, Central,
Hong Kong

Legal Adviser

Deacons
5/F, Alexandra House,
18 Chater Road, Central
Hong Kong