

*This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.*

Quick facts

Manager:	BEA Union Investment Management Limited
Trustee:	Bank of East Asia (Trustees) Limited
Ongoing charges over a year:	Class D Units: 1.40% p.a.* Class R Units: 1.15% p.a.^ Classes R(2) and R(3) Units: 1.12% p.a.*
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	HK\$
Dividend policy:	No dividends will be declared or distributed
Financial year end of this sub-fund:	31 December
Minimum investment:	Classes D and R Units: HK\$10,000 initial, HK\$5,000 additional Class R(2) Units: US\$2,000 initial, US\$1,000 additional Class R(3) Units: RMB10,000 initial, RMB5,000 additional

* This figure is an estimate only and may vary from year to year. The figure is calculated based on the estimated ongoing expenses chargeable to the sub-fund expressed as a percentage of the sub-fund’s estimated average net asset value.

^ This figure is based on the ongoing expenses for the period ended 31 December 2023 and may vary from year to year.

What is this product?

BEA Union Investment Asia Pacific Investment Grade Bond Fund (the “Investment Fund”) is a sub-fund of BEA Union Investment Capital Growth Fund (the “Fund”), which is a unit trust established as an umbrella fund under the laws of Hong Kong.

Objective and Investment Strategy

Objective

The investment objective of the Investment Fund is to provide total investment return over the medium to long term through investing in Asia Pacific investment grade bonds.

Strategy

The Investment Fund’s portfolio will primarily (at least 70% of its net asset value) consist of bonds, denominated in various Asian or major global currencies (e.g. USD), which are of investment grade and issued by Asia Pacific government or corporate entities. “Investment grade” for this purpose means a credit rating that satisfies the criteria prescribed by the Mandatory Provident Fund Schemes Authority (the “Authority”) from time to time. The investments of the Investment Fund may include (but are not limited to): fixed and floating rate bonds, zero coupon and discount bonds and commercial paper.

The Asia Pacific countries or regions which the Investment Fund may invest in include, but are not limited to, Australia, Hong Kong, China, Korea, Malaysia, New Zealand, Singapore and Thailand. The Investment Fund may obtain substantial exposure to the China bond markets through investment in offshore Renminbi denominated debt securities or other securities issued or distributed outside mainland China, e.g. offshore RMB bonds issued in Hong Kong. It does not invest in debt securities or other securities issued or distributed within mainland China.

Normally no more than 30% of the Investment Fund's assets will be invested in other bonds, denominated in various major currencies (e.g. USD), (a) which are either of investment grade but not issued by Asia Pacific government or corporate entities including, but not limited to, members of the European Union (with a minimum credit rating equivalent to BBB- by Standard and Poor's), Canada, the United States, the United Kingdom, Mexico, Brazil and Qatar, or (b) which are otherwise permitted under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation. Investments in bonds issued by non-Asia Pacific issuers may be made to (i) manage downside risks (e.g. during times of volatility of the Asian bond market) or (ii) achieve additional investment returns by allocating assets into such bonds where the Manager considers they are attractive on a risk/return basis or (iii) benefit from diversification of the portfolio of investments.

The Investment Fund may also invest no more than 30% of its assets in money market instruments, cash or cash equivalents. In times of extreme volatility of the markets or during severe adverse market conditions, the Investment Fund may hold a substantial portion of its assets in money market instruments, cash or cash equivalents to safeguard the investment portfolio of the Investment Fund.

The target asset allocation is as follows (which may be varied within the ranges according to changing market conditions):

	Minimum (% of net asset value)	Maximum (% of net asset value)
<u>By asset type</u>		
- debt securities	70%	100%
- money market instruments / cash and cash equivalents	0%	30%
<u>By geographical allocation</u>		
- Asia Pacific	70%	100%
- Non-Asia Pacific	0%	30%

The Investment Fund may invest less than 30% of its net asset value in debt instruments with loss-absorption features including contingent convertible debt securities (of less than 10% of its net asset value), senior non-preferred debt and subordinated debt issued by financial institutions.

Subject to the restrictions imposed by the MPF Ordinance, the Manager may enter into financial futures, options and currency forward contracts for the Investment Fund for hedging purposes to reduce risk and protect asset value, consistent with the investment objective of the Investment Fund. It is expected the Investment Fund's net derivative exposure would be zero so long as there is no residual derivative exposure arising from such hedging arrangement.

In addition, at least 30% of the assets of the Investment Fund will be held in Hong Kong dollar currency investments as measured by effective currency exposure (determined in accordance with Schedule 1 of the Mandatory Provident Fund Schemes (General) Regulation).

The Investment Fund will not invest in any structured deposits or products, and will not enter into any securities lending, repurchase transactions or other similar transactions.

Use of Derivatives

The Investment Fund's net derivative exposure may be up to 50% of the Investment Fund's net asset value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. Investment risk

- The Investment Fund is an investment fund. The Investment Fund's investment portfolio may fall in value and therefore your investment in the Investment Fund may suffer losses.

2. Currency risk

- The Investment Fund is denominated in HK dollars, although it may be invested in whole or in part in assets quoted in other currencies. The performance of the Investment Fund will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and HK dollar.

3. Emerging markets risk

- Certain of the markets in which the Investment Fund will invest may be considered as emerging markets, e.g. China. Investing in emerging markets involves a greater risk of loss than investing in more developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks, and investments tend to be more volatile than developed markets.

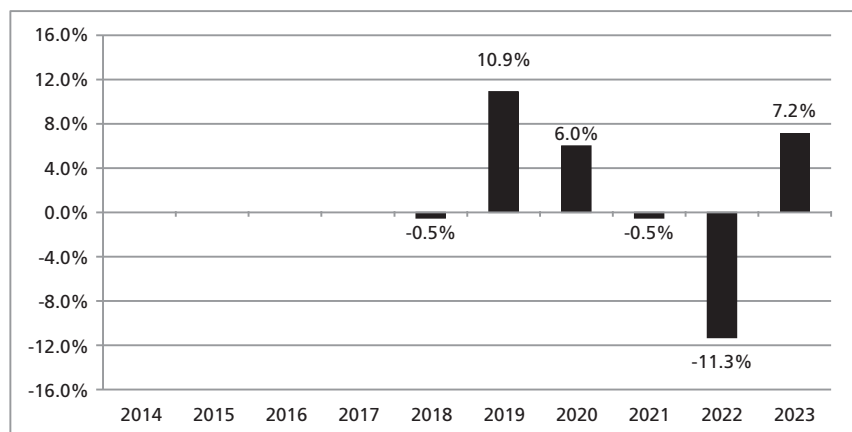
4. Risks associated with debt securities

- Interest rates – The Investment Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Credit / Counterparty risk – The Investment Fund is also exposed to the credit / default risk of issuers of the debt securities that the Investment Fund may invest in. If the issuer of any of the securities in which the Investment Fund invests defaults or suffers insolvency or other financial difficulties, the value of such Investment Fund will be adversely affected and may lead to a loss of principal and interest.
- Downgrading risk – The credit rating of a debt instrument or its issuer may subsequently be downgraded. In the event of such downgrading, the value of the Investment Fund may be adversely affected. Further, as debt securities that may be held by the Investment Funds are subject to requirements under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation, the Manager may be required to dispose of the securities in case of downgrading (which may be done at an undesirable price).
- Volatility and liquidity risk – The debt securities in Asia Pacific market may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of such securities may be subject to fluctuations.
- Sovereign debt risk – The Investment Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and / or interest when due or may request the Investment Fund to participate in restructuring such debts. The Investment Fund may suffer significant losses when there is a default of sovereign debt issuers.
- Credit rating risk – Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and / or issuer at all times.

5. Risk in relation to financial futures, options and forward contracts

- The Investment Fund may use financial futures, options and/or forward contracts for hedging purposes. Such hedging may not achieve the intended purpose. In an adverse situation, the Investment Fund's use of financial futures, options and forward contracts may become ineffective in achieving hedging and the Investment Fund may suffer significant losses.

How has the Investment Fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much Class R Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in HK\$ including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Investment Fund / Class R Units launch date: 2017

Is there any guarantee?

The Investment Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Investment Fund.

Fee	What you pay
Subscription fee (Preliminary Charge)	Classes D, R, R(2) and R(3) Units: up to 5% of issue price
Switching fee (Conversion Charge)	Classes D, R, R(2) and R(3) Units: currently, the aggregate of the realisation charge and preliminary charge payable on a switch will not exceed 3% of the issue price of new units
Redemption fee (Realisation Charge)	Classes D, R, R(2) and R(3) Units: up to 0.5% of realisation price (currently nil)

Ongoing fees payable by the Investment Fund

The following expenses will be paid out of the Investment Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Investment Fund's value)
Management Fee	Class D Units: 1.25% p.a.* Classes R, R(2) and R(3) Units: 1.00% p.a.*
Trustee Fee	Classes D and R Units: 0.10% p.a.* Classes R(2) and R(3) Units: 0.07% p.a.*
Performance Fee	N/A
Administration Fee	N/A
Registrar's Fee	0.015% – 0.05% p.a. subject to a minimum of US\$2,000 p.a.

Other fees

You may have to pay other fees and charges when dealing in the units of the Investment Fund.

* You should note that these fees may be increased, up to a specified permitted maximum, by giving unitholders at least three months' prior notice. For details, please refer to the Explanatory Memorandum.

Additional Information

- You generally buy, redeem and switch units at the Investment Fund's next-determined net asset value (NAV) after the Authorized Distributor receives your request in good order on or before 4:00 p.m. (Hong Kong time) on a Dealing Day. The Authorized Distributor(s) may impose an earlier cut-off time before the dealing deadline for receiving instructions for subscriptions, realisations or switching. Investors should confirm the arrangements with the Authorized Distributor(s) concerned.
- The net asset value of the Investment Fund is calculated on each Dealing Day, and the price of units is published on the Manager's website: www.bea-union-investment.com (this website has not been reviewed or authorised by the SFC).
- Investors may obtain information on BEA Union Investment Management Limited from the following website: www.bea-union-investment.com.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.