

*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: 1.12% p.a.^ Class R Units: 0.88% p.a.^ Classes R(2) and R(3) Units: 0.87% p.a.* |
| Dealing frequency: | Daily (Hong Kong business days) |
| Base currency: | HK\$ |
| Dividend policy: | Net income may be 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 based on the ongoing expenses for the period ended 31 December 2024 and may vary from year to year.

* 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.

What is this product?

BEA Union Investment Hong Kong Dollar (HK\$) 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 investors with long-term capital growth in Hong Kong dollar terms through investing in a portfolio consisting primarily of Hong Kong dollar denominated interest bearing securities. If the Manager considers that conditions so require and it is in the interests of Unitholders to do so, a substantial portion of the portfolio may be held in cash.

Strategy

The Manager anticipates that a majority of the portfolio will be invested in bonds issued by governments, quasi-governmental organisations, multilateral international agencies and blue chip corporations. Investments in corporate bonds and debentures must meet the minimum required credit ratings as determined by the Mandatory Provident Fund Schemes Authority from time to time or which are otherwise permitted under Schedule 1 to the Mandatory Provident Fund Schemes (General) Regulation. The value of the portfolio's holding of Hong Kong dollar denominated securities shall not be less than 70% of the net asset value of the Investment Fund. For the remaining assets, the Manager may at its discretion invest outside the Investment Fund's principal geographical areas, market sectors, industries or asset classes.

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.

The Manager may acquire financial futures contracts for the Investment Fund for hedging purposes to protect and enhance 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 Manager expects the return of the Investment Fund over the long-term to exceed the Hong Kong inflation rate.

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. Diversification risk

- The Investment Fund invests in the Hong Kong market only. Although the Investment Fund's portfolio will be diversified in terms of the number of holdings, the Investment Fund's asset value is likely to be more volatile than a broad-based fund, such as a global or regional fund, as it is more susceptible to fluctuations in value resulting from adverse conditions in Hong Kong.

3. Risks associated with debt securities

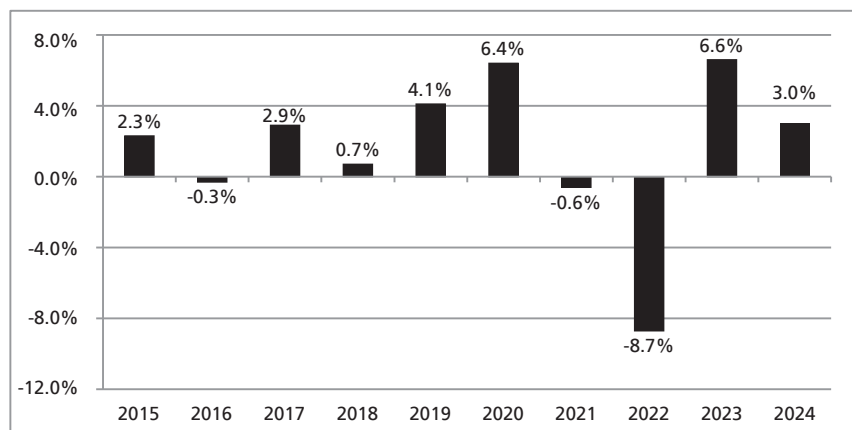
- Interest rates – The Investment Fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- Credit / Counterparty risk – The Investment Fund is also exposed to the credit / default risk of issuers 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).
- 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.

4. Risk in relation to financial futures contracts

- The Investment Fund may use financial futures contracts for hedging purposes. Such hedging may not achieve the intended purpose. In an adverse situation, the Investment Fund's use of financial futures 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.
- Investment Fund / Class R Units launch date: 2008

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 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 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: 1.00% p.a.* Classes R, R(2) and R(3) Units: 0.75% p.a.* |
| Trustee Fee | Classes D and R Units: up to 0.075% p.a.* Classes R(2) and R(3) Units: up to 0.07% p.a.* |
| Performance Fee | N/A |
| Administration Fee | N/A |
| Registrar's Fee | 0.015% – 0.05% p.a. subject to minimum of HK\$3,000 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 Authorised Distributor receives your request in good order on or before 4:00 p.m. (Hong Kong time) on a Dealing Day. The Authorised 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 Authorised 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.