BEA Union Investment

PRODUCT KEY FACTS

BU Investment Series OFC –
BU Global Flexi Allocation Fund

30 April 2024

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
Custodian:	Cititrust Limited
Ongoing charges over a year:	Class A USD Shares: 2.56% p.a.^ Class A HKD Shares: 2.58% p.a.^ Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged), Class A NZD (Hedged) and Class A RMB (Hedged) Shares: 2.56% p.a.*
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	USD
Dividend policy:	Class A USD (Accumulating), Class A HKD (Accumulating), Class A RMB (Accumulating), Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating) and Class A RMB (Hedged) (Accumulating) Shares: No dividends will be declared or distributed. Class A USD (Distributing), Class A HKD (Distributing), Class A RMB (Distributing), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Shares: Monthly distributions, if any, are discretionary and may be paid out of income and/or capital. Making distributions will reduce the net asset value per share of the relevant class. **A positive distribution yield also does not imply a positive return.**
Financial year end of this Sub-Fund:	31 December
Minimum investment:	Class A Shares: USD: USD2,000 initial, USD1,000 additional HKD: HKD10,000 initial, HKD5,000 additional Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged), Class A NZD (Hedged) and Class A RMB (Hedged) Shares: USD2,000 initial (or its equivalent), USD1,000 additional (or its equivalent)

^ This figure is based on the ongoing expenses for the period ended 31 December 2023 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?

BU Global Flexi Allocation Fund (the "**Sub-Fund**") is a sub-fund of BU Investment Series OFC (the "**Company**"), which is a Hong Kong public open-ended fund company ("**OFC**") regulated under the laws of Hong Kong with variable capital and limited liability and segregated liability between sub-funds.

The Company has been registered with the SFC as an OFC and the Company and the Sub-Fund have been authorised by the SFC pursuant to section 104 of the Securities and Futures Ordinance. The SFC's registration or authorisation is not a recommendation or endorsement of the Company or the Sub-Fund nor does it guarantee the commercial merits of the Company or the Sub-Fund or its performance. It does not mean the Company or the Sub-Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Objective and Investment Strategy

Objective

The investment objective of the Sub-Fund is to seek medium to long term capital growth and income through investing in a diversified portfolio consisting of global equity securities and/or debt securities in global markets.

Strategy

The Sub-Fund will invest its Net Asset Value in equity securities and/or debt securities in global markets, mainly in developed markets, but may also in emerging markets.

The Sub-Fund adopts a flexible approach to allocate its assets actively between equity securities and debt securities in global markets upon assessing the macroeconomic conditions and conducting research on equity and bond markets. Such allocation can be achieved via direct investment in equity securities and/or debt securities as elaborated below, or via investment in Exchange Traded Funds ("**ETFs**") and/or other funds. The Sub-Fund may invest entirely in ETFs. Underlying assets of ETFs may also include but not limited to commodities and currencies (with aggregate exposure to commodities and currencies being less than 30% of the Sub-Fund's Net Asset Value). ETFs are treated as listed securities for the purpose of the Code on Unit Trusts and Mutual Funds.

Equity securities include but are not limited to equities (e.g. ordinary shares and preferred shares) and real estate investment trusts ("**REITs**"). The Manager currently intends the Sub-Fund to invest in equity securities of companies of any market capitalisation. The Sub-Fund's investment in REITs is not expected to exceed 30% of its assets.

Debt securities may be issued or guaranteed by governments, regional governments, municipal governments, government agencies, quasi-government organisations, financial institutions, investment trusts and property trusts, multi-national organisations and other corporations. Debt securities in which the Sub-Fund will invest will not be subject to any duration or minimum credit rating requirements. The Sub-Fund may invest in investment grade debt securities (rated as Baa3 or above by Moody's Investor Services, Inc. or BBB- or above by Standard & Poor's Corporation or equivalent rating by other recognised rating agencies) as well as below investment grade and non-rated debt securities including high yield bonds that meet the standards as determined by the Manager. The Sub-Fund's investment in below investment grade and non-rated debt securities including high yield bonds in aggregate is not expected to exceed 20% of its assets.

The Sub-Fund's expected investment in debt instruments with loss-absorption features is less than 30% of its Net Asset Value, and may include contingent convertible debt securities (of less than 10% of the Sub-Fund's Net Asset Value), senior non-preferred debt and subordinated debt issued by financial institutions. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

The Sub-Fund will not invest more than 10% of its assets in securities issued by or guaranteed by any single sovereign issuer (including its government, public or local authority) with a credit rating below investment grade. For the avoidance of doubt, such securities would not include "quasi-government" securities or securities issued or guaranteed by issuers which are separate legal entities having their own balance sheets and assets, while at the same time being government-owned or related entities.

Before investing in a debt security, the Manager will first consider the credit rating of the security itself, then the credit rating of the issuer if the debt security is not rated. If neither the debt security nor issuer is rated, the debt security will be classified as non-rated.

The Sub-Fund may invest less than 50% of its Net Asset Value in other funds (including equity funds, fixed income funds and money market funds) (in compliance with 7.11 to 7.11D of the UT Code) for purposes consistent with the investment objective of the Sub-Fund.

In normal market conditions, the Sub-Fund may also hold less than 30% of its Net Asset Value in cash or cash equivalents. Under exceptional circumstances (e.g. market crash or major crisis), this percentage may be temporarily increased to up to 100% for cash flow management.

The Sub-Fund will have a limited exposure to investments denominated in RMB.

The Sub-Fund will not invest in any asset backed securities, mortgage backed securities, structured deposits or products. The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund.

The Sub-Fund may acquire financial derivative instruments for hedging and investment purposes.

Use of derivatives / Investment in derivatives

The Sub-Fund's net derivative exposure may be up to 50% of the Sub-Fund's Net Asset Value.

What are the key risks?

Investment involves risks. Please refer to the Prospectus for details including the risk factors. The key risks below apply to investments by the Sub-Fund and (where applicable) the underlying funds of the Sub-Fund.

1. **Investment risk**
   - The Sub-Fund's investment portfolio may fall in value and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.
2. **Equity market risk**
   - The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
3. **Asset allocation risk**
   - The performance of the Sub-Fund is dependent on the success of the asset allocation strategy employed by the Sub-Fund. There is no assurance that the strategy employed by the Sub-Fund will be successful. In adverse situation, the Sub-Fund's asset allocation strategy may become ineffective and may result in losses to the Sub-Fund.
4. **Risks relating to investment in ETFs generally**
   - The Sub-Fund may invest in ETFs, which may not be actively managed. Falls in the related tracking index are expected to result in a corresponding fall in the value of the relevant ETF. The trading prices of units/shares in an ETF may differ significantly from the net asset value of the units/shares of such ETF due to disruptions to creations and realisations, and supply and demand forces in the secondary trading market for units/shares in the ETF. In addition, factors such as fees and expenses of an ETF, imperfect correlation between the ETF's assets and the underlying securities within the relevant tracking index, rounding of share prices, adjustments to the tracking index and regulatory policies may affect the ability of the manager of an ETF to achieve close correlation with the tracking index for the relevant ETF. An ETF's returns may therefore deviate from that of its tracking index.
   - There can be no assurance that an active trading market will exist or maintain for units/shares of an ETF on any securities exchange on which units/shares of an ETF may trade. The units/shares of the ETFs which the Sub-Fund may invest in may be traded at large discounts or premiums to their net asset value, which may in turn affect the Net Asset Value of the Sub-Fund.
5. **Risks associated with debt securities**
   - Interest rates - The Sub-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 Sub-Fund is also exposed to the credit/default risk of issuers or guarantors of the debt securities that the Sub-Fund may invest in. If the issuer or guarantor of any of the securities in which the Sub-Fund invests defaults or suffers insolvency or other financial difficulties, the value of such Sub-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 or guarantor may subsequently be downgraded. In the event of such downgrading, the value of the Sub-Fund may be adversely affected. The Manager may or may not be able to dispose of the debt securities that are being downgraded.

- Below investment grade and non-rated securities – The Sub-Fund may invest in below investment grade or non-rated debt securities. Such debt securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than higher-rated debt securities.
- Volatility and liquidity risk – The debt securities in Asian 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. The bid and offer spreads of the price of such securities may be large and the Sub-Fund may incur significant trading costs.
- Sovereign debt risk – The Sub-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 Sub-Fund to participate in restructuring such debts. The Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.
- Valuation risk – Valuation of the Sub-Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the Sub-Fund.
- 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.

6. Risks of investing in other funds

- The Sub-Fund may invest in other funds and will be subject to the risks associated with the underlying funds. The Sub-Fund does not have control of the investments of the underlying funds and there is no assurance that the investment objective and strategy of the underlying funds will be successfully achieved, which may have a negative impact to the Net Asset Value of the Sub-Fund.
- The underlying funds in which the Sub-Fund may invest may not be regulated by the SFC. There may be additional costs involved when investing into these underlying funds. There is also no guarantee that the underlying funds will always have sufficient liquidity to meet the Sub-Fund's redemption requests as and when made.

7. Emerging markets risk

- The Sub-Fund invests in emerging markets which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

8. Currency risk

- Underlying investments of the Sub-Fund may be denominated in currencies other than the base currency of the Sub-Fund, i.e. US dollars. Also, a class of Shares may be designated in a currency other than the base currency of the Sub-Fund. The net asset value of the Sub-Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the US dollars and by changes in exchange rate controls.

9. Derivative risk

- Risks associated with derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative instrument can result in a loss significantly greater than the amount invested in the derivative instrument by the Sub-Fund. Exposure to derivative instruments may lead to a higher risk of significant loss by the Sub-Fund.
- The Sub-Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose. In an adverse situation, the Sub-Fund's use of derivative instruments may become ineffective in achieving hedging and may result in significant losses.

10. Effect of distribution out of capital

- The Directors may at their discretion make distribution from income and/or capital in respect of the distributing classes of the Sub-Fund. Distributions paid out of capital amount to a return or withdrawal of part of the shareholder's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction of the net asset value per Share.
- The distribution amount and net asset value of the currency hedged class shares may be adversely affected by differences in the interest rates of the reference currency of the currency hedged class shares and the Sub-Fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged class shares.

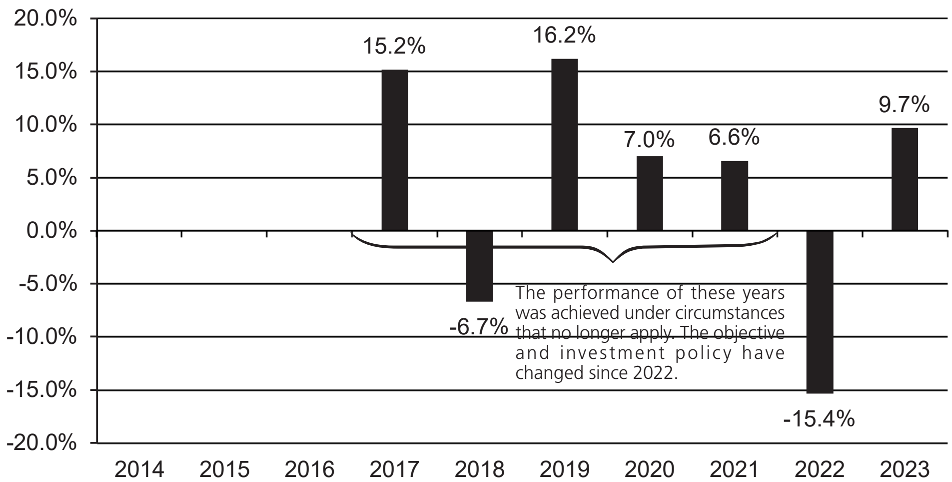
11. Currency hedging risk

- Adverse exchange rate fluctuations between the base currency of the Sub-Fund and the class currency of the currency hedged class shares may result in a decrease in return and/or loss of capital for shareholders. Over-hedged or under-hedged positions may arise and there can be no assurance that these currency hedged class shares will be hedged at all times or that the Manager will be successful in employing the hedge.
- The costs of the hedging transactions will be reflected in the net asset value of the currency hedged class shares and therefore, an investor of such currency hedged class shares will have to bear the associated hedging costs, which may be significant depending on prevailing market conditions.
- If the counterparties of the instruments used for hedging purpose default, investors of the currency hedged class shares may be exposed to currency exchange risk on an unhedged basis and may therefore suffer further losses.
- While hedging strategies may protect investors in the currency hedged class shares against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class shares, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

12. RMB currency and conversion risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- Non-RMB based (e.g. Hong Kong) investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investor's investment in the Sub-Fund.
- Although offshore RMB (CNH) and onshore RMB (CNY) are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

How has the Sub-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 A USD (Distributing) Shares increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD 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.
- Sub-Fund / Class A USD (Distributing) Shares launch date: 2021
- Predecessor fund (BEA Union Investment Series - BEA Union Investment Global Flexi Allocation Fund) inception date: 2016. The Sub-Fund was launched on 30 September 2021 upon the restructuring of BEA Union Investment Series - BEA Union Investment Global Flexi Allocation Fund into the Sub-Fund. The performance information shown on or before the date of the restructuring has been simulated based on the performance of a unit class of BEA Union Investment Series - BEA Union Investment Global Flexi Allocation Fund with the same investment objectives, risk profiles, and materially the same fee structures and investment policies of the Class A USD (Distributing) Shares of the Sub-Fund.

Is there any guarantee?

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

What are the fees and charges?

References to Class A Shares include Class A USD, Class A HKD, Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged), Class A NZD (Hedged) and Class A RMB (Hedged) Shares.

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Sub-Fund.

Fee	What you pay
Subscription fee (Preliminary Charge) #	Class A Shares: up to 5% of issue price
Switching fee (Conversion Charge) #	Up to 2.0% of issue price of new shares
Redemption fee (Realisation Charge) #	Class A Shares: 0.5% of realisation price; but currently waived

Investors may be subject to pricing adjustments (including fiscal charges adjustment and swing pricing mechanism) when they subscribe, realise or convert Shares of the Sub-Fund. For details, please refer to "**Adjustment of Prices**" under the section headed "**VALUATION AND SUSPENSION**" in the main part of the Prospectus.

Ongoing fees payable by the Sub-Fund

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

	Annual rate (as a % of the Sub-Fund's value)
Management Fee	Class A Shares: 1.5% p.a.*
Custodian Fee	0.07% p.a.*
Performance Fee	N/A
Administration Fee	Included in Custodian Fee
Registrar's Fee	0.015% - 0.05% p.a. subject to minimum of USD3,000 p.a.
Holders Servicing Fee	Class A Shares: Nil*

Other fees

You may have to pay other fees and charges when dealing in the shares of the Sub-Fund.

* You should note that these fees may be increased, up to a specified permitted maximum, by giving shareholders at least one month's prior notice. For details, please refer to the Prospectus.

Additional Information

- You generally buy, redeem and switch shares at the Sub-Fund's next-determined net asset value (NAV) after Authorised Distributor receives your request in good order on or before 4:00p.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 conversions. Investors should confirm the arrangements with the Authorised Distributor(s) concerned.
- The net asset value of the Sub-Fund is calculated on each Dealing Day, and the price of shares 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.
- Compositions of distribution (if any) (i.e. the relative amounts/percentages paid out of (i) net distributable income and (ii) capital) for the last 12 months are available from the Company on request and also on the following website: www.bea-union-investment.com. The Directors may amend the distribution policy subject to SFC's prior approval (where required) and by giving not less than one month's notice to investors.

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.