PRODUCT KEY FACTS

BU Fund Series OFC –
BU APAC Bond Fund

1 October 2022

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:	BNP Paribas (acting through its Hong Kong branch)
Ongoing charges over a year:	Class A USD, Class A HKD, Class A AUD, Class A CAD, Class A EUR, Class A GBP, Class A JPY, Class A NZD, Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A EUR (Hedged), Class A GBP (Hedged), Class A JPY (Hedged), Class A NZD (Hedged), Class A RMB (Hedged) Shares: 1.21% p.a.^
Dealing frequency:	Daily (Hong Kong business days)
Base currency:	USD
Dividend policy:	Class A (Accumulating) Shares: USD, HKD, AUD, CAD, EUR, GBP, JPY, NZD, RMB, AUD (Hedged), CAD (Hedged), EUR (Hedged), GBP (Hedged), JPY (Hedged), NZD (Hedged), RMB (Hedged): No dividends will be declared or distributed. Class A (Distributing) Shares: USD, HKD, AUD, CAD, EUR, GBP, JPY, NZD, RMB, AUD (Hedged), CAD (Hedged), EUR (Hedged), GBP (Hedged), JPY (Hedged), NZD (Hedged), RMB (Hedged): Monthly distributions, if any, are discretionary and may be paid out of net income and/or capital. Making distributions will immediately reduce the net asset value per share of the relevant class.
Financial year end of this Sub-Fund:	31 December
Minimum investment:	Class A Shares: USD: USD1,000 initial, USD1,000 additional HKD: HK$10,000 initial, HK$10,000 additional Other currencies: USD1,000 initial (or its equivalent), USD1,000 additional (or its equivalent)

^ 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 APAC Bond Fund (the "**Sub-Fund**") is a sub-fund of BU Fund 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 regular income by primarily investing in investment grade debt securities in Asia Pacific region or that are denominated in Asia Pacific currencies.

Strategy

The Sub-Fund will invest at least 70% of its Net Asset Value in investment grade debt securities that are (a) denominated in Asia Pacific currencies or (b) issued or guaranteed by Asia Pacific governments or entities incorporated in Asia Pacific, or with significant operations or asset in, or derive a significant portion of revenue or profits from Asia Pacific, and denominated in USD or other currencies. For the remaining assets, the Manager may at its discretion invest outside the Sub-Fund's principal geographical areas, market sectors, industries or asset classes.

Debt securities may be issued by government, regional governments, municipal governments, government agencies, quasi-government organisations, financial institutions, investment trusts and property trusts, multi-national organisations and other corporations. Debt securities also include asset-backed securities and mortgage-backed securities (in aggregate of not more than 20% of the Sub-Fund's Net Asset Value), urban investment bonds (城投債) (less than 10% of the Sub-Fund's Net Asset Value), as well as money market funds and fixed income funds (in aggregate of less than 30% of the Sub-Fund's Net Asset Value and in compliance with 7.11 to 7.11D of the Code on Unit Trusts and Mutual Funds) for purposes consistent with the investment objective of the Sub-Fund.

"Investment grade" refers to rating of 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) or (for China onshore bonds) rating of AA- or above by a Mainland China credit rating agency. Before investing in a debt security, the Manager will consider the credit rating of the debt security itself, then the credit rating of the issuer or guarantor if the debt security is not rated. If neither the debt security nor issuer nor guarantor is rated, the debt security will be classified as non-rated.

No more than 10% of the Net Asset Value may be invested in securities issued by or guaranteed by any single sovereign issuer (including its government, a public or local authority of that country) 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.

Debt securities in which the Sub-Fund will invest will not be subject to any duration requirement. Also, there is no explicit restriction on currency exposure. However, although the Sub-Fund may invest substantially in debt securities related to China, aggregate exposure to investments denominated in RMB (including China onshore bonds, urban investment bonds (城投債) and dim sum bonds) will be less than 30% of the Net Asset Value.

The Sub-Fund may invest less than 30% of its Net Asset Value in debt securities with loss absorption features, which 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 may invest less than 10% of its Net Asset Value in structured deposits or products.

In normal market conditions, the Sub-Fund may 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 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.

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. 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 required to dispose of the debt securities that are being downgraded.
- 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 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 judgemental determination. 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.

3. Concentration risk / Asia Pacific market risk

- The Sub-Fund's investments are concentrated in Asia Pacific region, which may have substantial exposure in China. The value of the Sub-Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- The value of the Sub-Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the markets in the Asia Pacific region and/or China.

4. Emerging markets risk

- Certain of the markets in which the Sub-Fund will invest may be considered as emerging markets. 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, settlement, custody and regulatory risks, and investments tend to be more volatile than developed markets.

5 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.

6. 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.

7. 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.

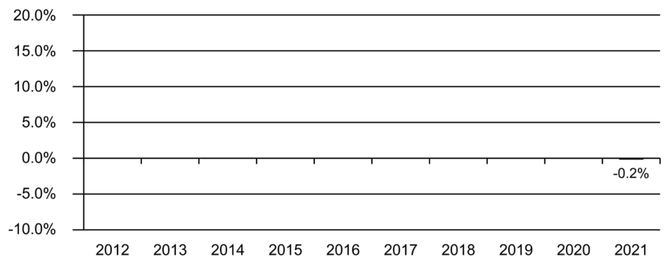
8. Currency hedging risk

- 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.

9. 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 I USD 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 I USD Shares launch date: 2020

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 AUD, Class A CAD, Class A EUR, Class A GBP, Class A JPY, Class A NZD, Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A EUR (Hedged), Class A GBP (Hedged), Class A JPY (Hedged), Class A NZD (Hedged), 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) #	Class A Shares: up to 2% of issue price of new class
Redemption fee (Realisation Charge) #	Class A Shares: up to 2% of realisation price (currently 0.5%, but may be waived subject to the Manager's discretion)

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 Net Asset Value)
Management Fee	Class A Shares: 1% p.a.*
Custodian Fee	Class A Shares: 0.03% p.a.*
Performance Fee	Nil*
Administration Fee	Up to 0.035% p.a.
Registrar's Fee	Up to 0.05% p.a. subject to a minimum of USD3,000 p.a.*
Holders Servicing Fee	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 switching. 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.