Explanatory Memorandum

BEA Union Investment Series

BEA Union Investment Asian Bond and Currency Fund

BEA Union Investment China A-Share Equity Fund

BEA Union Investment Asia Pacific Multi Income Fund

BEA Union Investment China High Yield Income Fund

BEA Union Investment Asian Strategic Bond Fund

BEA Union Investment Asian Opportunities Fund

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IMPORTANT INFORMATION FOR INVESTORS

Important – The investment decision is yours. If you are in any doubt about the contents of this Explanatory Memorandum, you should seek independent professional financial advice.

This Explanatory Memorandum comprises information relating to BEA Union Investment Series, an umbrella unit trust originally established under the laws of Hong Kong by a trust deed dated 18 January 2002 between BEA Union Investment Management Limited (previously known as East Asia Asset Management Company Limited) as manager and Bank of East Asia (Trustees) Limited as trustee. On 11 November 2019, the parties entered into an Amended and Restated Trust Deed to amend the provisions of the original trust deed. The Amended and Restated Trust Deed may be amended from time to time.

The Directors of the Manager accept responsibility for the information contained in this Explanatory Memorandum as being accurate at the date of publication. However, neither the delivery of this Explanatory Memorandum nor the offer or issue of Units shall under any circumstances constitute a representation that the information contained in this Explanatory Memorandum is correct as of any time subsequent to such date. This Explanatory Memorandum may from time to time be updated. Intending applicants for Units should ask the Manager if any supplements to this Explanatory Memorandum or any later Explanatory Memorandum have been issued.

Any information given or representations made by any dealer, salesman or other person and (in either case) not contained in this Explanatory Memorandum should be regarded as unauthorised and accordingly must not be relied upon.

The Fund has been authorised by the SFC pursuant to section 104 of the SFO. Such authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

No action has been taken to permit an offering of Units or the distribution of this Explanatory Memorandum in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Explanatory Memorandum may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

In particular:–

(a) the Units have not been registered under the United States Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under such Act); and

(b) the Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended.

Potential applicants for Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries or regions of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units.

Investors may contact the complaint officer of the Manager (during normal office hours by telephone at +852 3608 0304) if they have any complaints or enquiries in respect of the Fund and its compartments. Depending on the subject matter of the complaints or enquiries, these will be dealt with either by the Manager directly, or referred to the relevant parties for further handling. The Manager will, on a best effort basis, revert and address the investor's complaints and enquiries as soon as practicable.

Investment involves risk and investors should note that losses may be sustained on their investment. There is no assurance that the investment objective of the respective Sub-Fund will be achieved. Investors should read the Explanatory Memorandum including the section headed "Risk Factors" before making their choice of investment.

ADMINISTRATION

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

Trustee and Registrar
Bank of East Asia (Trustees) Limited
32nd Floor
BEA Tower
Millennium City 5
418 Kwun Tong Road
Kwun Tong, Kowloon
Hong Kong

Directors of the Manager
Brian LI Man Bun
Samson LI Kai Cheong
Eleanor WAN Yuen Yung
Hermann Alexander SCHINDLER
Gunter Karl HAUEISEN

Auditors
KPMG
8th Floor
Prince's Building
10 Chater Road
Central
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Solicitors to the Manager
Deacons
5th Floor
Alexandra House
18 Chater Road
Central
Hong Kong

DEFINITIONS

The defined terms used in this Explanatory Memorandum have the following meanings:–

“Accounting Date” Means 31 December in each year or such other date or dates in each year as the Managers may from time to time specify in respect of any Sub-Fund and notify to the Trustee and the Unitholders of such Sub-Fund

“Accounting Period” Means a period commencing on the date of establishment of the relevant Sub-Fund or on the date next following an Accounting Date of the relevant Sub-Fund and ending on the next succeeding Accounting Date for such Sub-Fund

“Authorised Distributor” Means any person appointed by the Manager to distribute some or all of the Sub-Funds to potential investors

“Business Day” Means a day (other than a Saturday and a Sunday) on which banks in Hong Kong are open for normal banking business or such other day or days as the Manager and the Trustee may agree from time to time, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager and the Trustee determine otherwise

“China” or “PRC” Means the People’s Republic of China

“China A-Shares” Means shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in Renminbi and available for investment by Mainland Chinese investors, qualified investors (QI) (refer to qualified foreign institutional investors (QFII) and Renminbi qualified foreign institutional investors (RQFII)) and foreign strategic investors approved by the China Securities Regulatory Commission

“China B-Shares” Means shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by Mainland Chinese investors and offshore investors

“China H-Shares” Means shares issued by companies incorporated in Mainland China and listed on the Stock Exchange of Hong Kong and traded in Hong Kong dollars

“Code” Means the Overarching Principles Section and Section II – Code on Unit Trusts and Mutual Funds of the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products or any handbook, guideline and code issued by the SFC, as may be amended from time to time

“connected person” Means in relation to the Manager:

(a) any person, company or fund beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of the Manager or being able to exercise, directly or indirectly, 20% or more of the total votes in the Manager; or

(b) any person or fund controlled by a person who or which meets one or both of the descriptions given in (a); or

(c) any company in which the Manager owns directly or indirectly 20% or more of the ordinary share capital or in which the Manager is able to exercise, directly or indirectly 20% or more of the total votes of such fund; or

(d) any member of the group of which the Manager forms part; or

(e) any director or officer of the Manager or of any of its connected persons as defined in (a), (b), (c) or (d) above

“Dealing Day” Means such days as are described in the Appendices for the relevant Sub-Funds

“Dealing Deadline” Means such time on the relevant Dealing Day as described in the Appendix for the relevant Sub-Funds

“Explanatory Memorandum” Means this Explanatory Memorandum including the appendices, as each may be amended, updated or supplemented from time to time

“Fund” Means BEA Union Investment Series, an umbrella unit trust established in Hong Kong

“Government and other public securities” Means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies

“Hong Kong” Means Hong Kong Special Administrative Region of the PRC

“HK$” or “HKD” Means Hong Kong Dollars, the lawful currency of Hong Kong

“Issue Price” Means in respect of each Sub-Fund the price per Unit as disclosed in the relevant Appendix

“Interim Accounting Date” Means such date or dates during each Accounting Period other than the Accounting Date as the Managers may from time to time determine in respect of any Sub-Fund and notify to the Trustee and the Unitholders of the class relating to such Sub-Fund

“Interim Accounting Period” Means a period commencing on the date of commencement of this Fund or the date of the establishment of the relevant Sub-Fund (as the case may be) or on the date next following the preceding Interim Accounting Date or Accounting Date of the relevant Sub-Fund and ending on the next succeeding Interim Accounting Date for such Sub-Fund

“Investment Delegate” Means an entity that has been delegated the investment management function of all or part of the assets of a Sub-Fund, the details of which are as specified in the relevant Appendix (if applicable)

“Launch Date” or “Launch Period” Means the date from which, or the initial period during which (as the case may be), the Units of the relevant Sub-Fund are being offered to investors as described in the relevant Appendix

“Mainland” or “Mainland China” Means all the customs territories of the PRC, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan, for the purposes of this document

"Manager"	Means BEA Union Investment Management Limited
"Net Asset Value"	Means the net asset value of the Fund or a Sub-Fund or of a Unit, as the context may require, calculated in accordance with the provisions of the Trust Deed as summarised below under the section headed "Valuation"
"OECD"	Means the Organisation for Economic Co-operation and Development
"PRC Securities"	Means PRC shares (including China A-, B- and H-Shares), Renminbi denominated corporate and government bonds, securities investment fund and warrants listed on the PRC stock exchanges
"Qualified Exchange Traded Funds"	Means exchange traded funds that are: (a) authorized by the SFC under 8.6 or 8.10 of the Code; or (b) listed and regularly traded on internationally recognized stock exchanges open to the public (nominal listing not accepted) and either (i) the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under 8.6 of the Code; or (ii) the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under 8.10 of the Code
"Realisation Price"	Means the price, at which Units will be realised as more fully described in the section headed "Payment of Realisation Proceeds"
"Record Date"	Means the date as determined by the Manager on which the names of the Holders must be entered on the register of Holders to be entitled to distribution (if any) declared in respect of an Interim Accounting Period or Accounting Period
"REITs"	Means real estate investment trusts
"reverse repurchase transactions"	Means transactions whereby a Sub-Fund purchases securities from a counterparty of sale and repurchase transactions and agrees to sell such securities back at an agreed price in the future
"sale and repurchase transactions"	Means transactions whereby a Sub-Fund sells its securities to a counterparty of reverse repurchase transactions and agrees to buy such securities back at an agreed price with a financing cost in the future
"securities financing transactions"	Means collectively securities lending transactions, sale and repurchase transactions and reverse repurchase transactions
"securities lending transactions"	Means transactions whereby a Sub-Fund lends its securities to a security-borrowing counterparty for an agreed fee
"SFC"	Means the Securities and Futures Commission of Hong Kong
"SFO"	Means the Securities and Futures Ordinance, Laws of Hong Kong (Chapter 571)
"Sub-Fund"	Means a sub-fund of the Fund

"substantial financial institution"	Means an authorized institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of Laws of Hong Kong) or a financial institution which is on an ongoing basis subject to prudential regulation and supervision, with a minimum net asset value of HK$2 billion or its equivalent in foreign currency, as may be amended by the Code from time to time
"Trust Deed"	Means the Amended and Restated Trust Deed dated 11 November 2019, as amended from time to time
"Trustee"	Means Bank of East Asia (Trustees) Limited in its capacity as trustee of the Fund
"Unit"	Means a Unit in a Sub-Fund
"Unitholder"	Means a person registered as a holder of a Unit
"U.S."	Means the United States of America
"US$"	Means the lawful currency of the United States of America
"Valuation Day"	Means such days as are described in the Appendix for the relevant Sub-Fund
"Valuation Point"	Means such time on the relevant Valuation Day as described in the Appendix for the relevant Sub-Fund and as the Manager with the approval of the Trustee may from time to time determine to calculate the Net Asset Value provided that the Unitholders are notified of the change

INTRODUCTION

BEA Union Investment Series is an umbrella unit trust established in Hong Kong currently offering a number of Sub-Funds. The Manager may create further Sub-Funds in the future. Investors should contact the Manager to obtain the latest offering document relating to the available Sub-Funds.

INVESTMENT OBJECTIVE

The investment objective of each Sub-Fund and principal risks, as well as other important details, are set forth in the Appendix hereto relating to the relevant Sub-Fund.

MANAGEMENT OF THE FUND

The Management Company

The Manager of the Fund is BEA Union Investment Management Limited.

The Manager was set up in April 1988 and was previously known as East Asia Asset Management Company 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), 5 (Advising on Futures Contracts) and 9 (Asset Management) Regulated Activities under Part V of the SFO.

The Manager has experience in providing to its clients (both private and institutional) a wide range of professional investment management services including, inter alia, managing tailor-made investment portfolios, advising on investment strategies and undertaking the sale and purchase of foreign equity, bonds and structured investment products.

The Manager undertakes the management and administration of the Fund, including communication with Unitholders and conduct of meetings, and in conjunction with the Trustee is responsible for the maintenance of reports and records in compliance with the Trust Deed and the laws of Hong Kong.

The Manager may appoint sub-managers or Investment Delegates in relation to specific Sub-Funds subject to prior SFC approval.

The Manager may appoint other investment advisers to provide investment advisory service to any of the Sub-Funds from time to time and the remuneration of such investment advisers will be borne by the Manager.

The Trustee

The Trustee of the Fund is Bank of East Asia (Trustees) Limited which was incorporated with limited liability in November 1975, and is registered as a trust company under Part VIII of the Trustee Ordinance.

Under the Trust Deed, the Trustee shall take into custody or under its control all the investments, cash and other assets forming part of the assets of each Sub-Fund and hold them in trust for the Unitholders of the relevant Sub-Fund in accordance with the provisions of the Trust Deed and, to the extent permitted by law, shall register cash and registrable assets in the name of or to the order of the Trustee and be dealt with as the Trustee may think proper for the purpose of providing for the safe keeping thereto. The Trustee shall remain liable for any act or omission of any custodian or joint custodian (other than Clearstream or Cedel, S.A.) in relation to any investment of a sub-fund in bearer form deposited with such custodian or joint custodian (other than as aforesaid) as if the same were the act or omission of the Trustee. The Trustee will exercise reasonable care, skill and diligence in selecting a custodian. The Trustee will generally have regard to the relevant qualifications attained by the custodian for purpose of providing custodial service in the relevant jurisdictions and its business track record and be responsible during the term of appointment of the custodian for satisfying itself that the custodian retained remain suitably qualified and competent on an ongoing basis to provide the relevant services to the Fund or any Sub-fund.

The Authorised Distributor

The Manager may appoint one or more Authorised Distributor(s) to distribute one or more Sub-Fund(s), and to receive applications for subscription, redemption and/or switching of Units on the Manager's behalf. Currently, The Bank of East Asia, Limited has been appointed as one of the Authorised Distributors.

OFFERING

Classes of Units

Units of each Sub-Fund will be offered for the first time at the Issue Price either during the Launch Period or from the Launch Date as set forth in the Appendix relating to the relevant Sub-Fund.

Different classes of Units may be offered for each Sub-Fund. Although the assets attributable to each class of Units of a Sub-Fund will form one single pool, each class of Units will have a different charging structure with the result that the net asset value attributable to each class of Units of a Sub-Fund may differ slightly. In addition, each class of Units may be subject to different minimum initial and subsequent subscription amounts and holding amounts, and minimum redemption and conversion amounts. Investors should refer to the relevant Appendix for the available classes of Units and the applicable minimum amounts. The Manager may in its discretion agree to accept applications for subscription, redemption and conversion of certain classes below the applicable minimum amounts.

Currency Hedged class Units (as defined below) may be offered for each Sub-Fund. The Manager may hedge the currency exposure of Unit classes denominated in a currency other than the base currency of a Sub-Fund against that Sub-Fund's base currency, in order to attempt to mitigate the effect of fluctuations in the exchange rate between the Unit class currency and the base currency of that Sub-Fund. As this type of foreign exchange hedging may be utilised for the benefit of a particular Currency Hedged class Unit, its costs and resultant profit or loss on the hedging transaction shall be for the account of that Currency Hedged class Unit only. Investors should note that the additional costs associated with this form of hedging include transaction costs relating to the instruments and contracts used to implement the hedge. The costs and the resultant profit or loss on the hedged transaction will be reflected in the net asset value per Unit of the relevant Currency Hedged class Unit.

For the purpose of this Explanatory Memorandum, "Currency Hedged class Units" are units which shall be designated as "Class A AUD (Hedged) Units", "Class A CAD (Hedged) Units", "Class A EUR (Hedged) Units", "Class A GBP (Hedged) Units", "Class A HKD (Hedged) Units", "Class A JPY (Hedged) Units", "Class A NZD (Hedged) Units", "Class A RMB (Hedged) Units", "Class A USD (Hedged) Units" and "Class P RMB (Hedged) Units" whose reference currencies are Australian Dollars, Canadian Dollars, Euro, British Pounds, Hong Kong Dollars, Japanese Yen, New Zealand Dollars, Renminbi, US Dollars and Renminbi respectively.

DEALING DAY AND DEALING DEADLINE

The Manager may from time to time with the approval of the Trustee determine generally or in relation to any particular jurisdiction the time on such Dealing Day or on such other Business Day as in which Units may from time to time be sold prior to which instructions for subscriptions, realisations, conversions or transfers are to be received in order to be dealt with on a particular Dealing Day. Dealing Days and the relevant Dealing Deadlines for each Sub-Fund are set out in the relevant Appendix.

PURCHASE OF UNITS

Application Procedure

To purchase Units an investor should:–

(a) contact the Manager or the Authorised Distributor of the Fund for an application form;

(b) complete the application form; and

(c) return the original form to the Authorised Distributor.

Notwithstanding the above, application for Units may also be made in such other manner as the Manager and the Trustee may agree with the applicant.

Applications will generally be accepted on a Dealing Day only if cleared funds have been received on or prior to such Dealing Day in relation to which Units are to be issued. Notwithstanding the above, a Sub-Fund may rely upon application orders received, even prior to receipt of application monies, and may issue Units to investors according to such orders and invest the expected application amounts. If payment is not cleared within 3 Business Days of receipt of the application (or such other date as the Manager shall determine and notify the relevant applicant), the Manager reserves the right to cancel the transaction at any time thereafter. In such circumstances, an investor may be required to settle the difference between the prices at issue and at cancellation of the units concerned.

Each applicant whose application is accepted will be sent a contract note confirming details of the purchase of Units but no certificates will be issued.

The Manager, at its discretion, is entitled to impose a preliminary charge of up to 5% on the offer price of each Unit, as described in the relevant Appendix. The Manager may retain the benefit of such charge or may re-allow or pay all or part of the preliminary charge (and any other fees received) to recognised intermediaries or such other persons as the Manager may at its absolute discretion determine.

Payment Procedure

Subscription monies should normally be paid in the relevant base currency or otherwise as disclosed in the relevant Appendix. Arrangements can be made for applicants to pay for Units in most other major currencies and in such cases, the cost of currency conversion will be borne by the applicant.

All payments should be made by cheque, direct transfer, telegraphic transfer or banker's draft. Cheques and banker's drafts should be crossed "a/c payee only, not negotiable" and made payable to "Bank of East Asia (Trustees) Limited as trustee to BEA Union Investment Series", stating the name of the relevant Sub-Fund to be subscribed, and sent with the application form. Payment by cheque is likely to cause delay in receipt of cleared funds and Units generally will not be issued until the cheque is cleared. Any costs of transfer of application monies to a Sub-Fund will be payable by the applicant.

Details of payments by telegraphic transfer are set out in the application form.

No money should be paid to any intermediary in Hong Kong who is not licensed by or registered with the SFC to conduct Type 1 (Dealing in Securities) regulated activity under Part V of the SFO.

General

All holdings will be registered and certificates are not issued. Evidence of title will be the entry on the register of Unitholders. Unitholders should therefore be aware of the importance of ensuring that the Trustee is informed of any change to the registered details. Fractions of Units may be issued calculated to 2 decimal places. Application monies representing smaller fractions of a Unit will be retained by the relevant Sub-Fund. The Manager reserves the right to reject any application in whole or in part. A maximum of 4 persons may be registered as joint Unitholders.

REALISATION OF UNITS

Realisation Procedure

Subject to any lock-up period as set out in the relevant Appendix, Unitholders who wish to realise their Units may do so on any Dealing Day by submitting a realisation request to the Authorised Distributor before the Dealing Deadline for the relevant Sub-Fund, as defined in the relevant Appendix.

A realisation request must be given in writing and must specify the name of the relevant Sub-Fund and the value or number of Units to be realised, the name(s) of the registered holder(s), and give payment instructions for the realisation proceeds.

A Unitholder shall not be entitled hereunder to realise part only of his holding of Units in relation to a Sub-Fund if thereby his holding would be reduced to less than the minimum holding for the Sub-Fund (as described in the relevant Appendix) and may not realise any Unit prior to the date falling seven days after the Dealing Day on which such Unit was acquired.

Payment of Realisation Proceeds

The realisation price on any Dealing Day shall be the price per Unit ascertained by dividing the Net Asset Value of the relevant Sub-Fund as at the Valuation Point in respect of the Dealing Day on which the realisation request is received by the Authorised Distributor by the number of Units then in issue rounded down to 2 decimal places or in such manner and to such other number of decimal places as may from time to time be determined by the Manager after consulting the Trustee. Any rounding adjustment shall be retained by the relevant Sub-Fund. Such price shall be calculated in the base currency of the relevant Sub-Fund and quoted by the Manager in such base currency and in such other currency or currencies at the Manager's discretion (with prior notice to the Trustee) by converting such price to its equivalent in such other currency or currencies at the same rate as the Manager shall apply in calculating the Net Asset Value as at the Valuation Point.

The Manager may at its option impose a realisation charge of up to 3% of the realisation price in respect of Class A, Class H, Class I and Class P Units to be realised. The realisation charge, if any, is described in the relevant Appendix. The Manager may on any day in its sole and absolute discretion differentiate between Unitholders as to the amount of the realisation charge to be imposed (within the permitted limit).

The amount due to a Unitholder on the realisation of a Unit pursuant to the paragraphs above shall be the realisation price per Unit, less any realisation charge, any fiscal and sale charges and any rounding adjustment in respect thereof. The fiscal and sale charges (if any), as well as the rounding adjustment aforesaid in relation to the realisation of any Units shall be retained as part of the relevant Sub-Fund. The realisation charge shall be retained by the Manager. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" below.

Realisation proceeds will not be paid to any realising Unitholder until (a) unless otherwise agreed by the Trustee, the written original of the realisation request duly signed by the Unitholder has been received by the Authorised Distributor and (b) where realisation proceeds are to be paid by telegraphic transfer, the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee.

Subject as mentioned above and as set out in the Appendix of the relevant Sub-Fund, and so long as relevant account details have been provided, realisation proceeds will be paid in the base currency of the relevant Sub-Fund by direct transfer or telegraphic transfer, normally within 10 Business Days after the relevant Dealing Day (or as otherwise specified in the Appendix of the relevant Sub-Fund) and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. If relevant account details are not provided, realisation proceeds will be paid to the realising Unitholder (or to the first-named of joint Unitholders) at the Unitholder's risk by cheque, usually in the base currency of the relevant Sub-Fund and sent to the realising Unitholder at the last known address held in the records of the Registrar.

Realisation proceeds may be paid in a currency other than the base currency of the relevant Sub-Fund or class currency of the relevant class of Units, at the request and expense of the Unitholder. In such circumstances, the Trustee shall use such currency exchange rates as it may from time to time determine.

The Trust Deed provides for payment of realisation proceeds in specie with the consent of the relevant Unitholder.

CONVERSION BETWEEN SUB-FUNDS

Unitholders have the right (subject to any suspension in the determination of the net asset value of any relevant Sub-Fund and any restrictions described in the Appendix for the relevant Sub-Funds) to convert all or part of their Units of any class relating to a Sub-Fund into Units relating to another Sub-Fund by giving notice in writing to the Authorised Distributor. A request for conversion will not be effected if as a result the relevant holder would hold less than the minimum holding of Units of the relevant class prescribed by, or is prohibited from holding Units of that Sub-Fund under, the relevant offering document. Unless the Manager otherwise agrees, Units of a class can only be converted into Units of the same class of the same or another Sub-Fund.

Requests for conversion received by the Authorised Distributor prior to the Dealing Deadline for a Dealing Day will be dealt with on that Dealing Day. Neither the Manager nor the Trustee shall be responsible to any Unitholder for any loss resulting from the non-receipt of a request for conversion or any amendment to a request for conversion prior to receipt.

The rate at which the whole or any part of a holding of Units relating to a Sub-Fund (the "**Existing Units**") will be converted on any Dealing Day into Units relating to another Sub-Fund (the "**New Units**") will be determined by reference to their relative Unit prices on the relevant Dealing Day.

The Manager has a right to impose a conversion charge of up to 2% of the issue price of the New Units in relation to the conversion of Units as set out in the relevant Appendix.

If there is, at any time during the period from the time as at which the realisation price per Existing Unit is calculated and the time at which any necessary transfer of funds from the Sub-Fund to which the Existing Units relate (the "**Original Sub-Fund**") to the Sub-Fund to which the New Units relate takes place, an officially announced devaluation or depreciation of any currency in which any investment of the Original Sub-Fund is denominated or normally traded, the realisation price per Existing Unit shall be reduced as the Manager considers appropriate to take account of the effect of that devaluation or depreciation and the number of New Units which will arise from that conversion shall be recalculated as if that reduced realisation price had been the realisation price ruling for realisation of Existing Units on the relevant Dealing Day.

Restrictions on realisation and conversion

The Manager may suspend the realisation or conversion of Units or delay the payment of realisation proceeds during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details see "**Suspension of Calculation of Net Asset Value**" below).

With a view to protecting the interests of Unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of Units of any Sub-Fund realised on any Dealing Day (whether by sale to the Manager or by cancellation by the Trustee) to 10% of the total number of Units of the relevant Sub-Fund in issue. In this event, the limitation will apply pro rata so that all Unitholders wishing to realise Units of the same Sub-Fund on that Dealing Day will realise the same proportion of such Units, and Units not realised (but which would otherwise have been realised) will be carried forward for realisation, subject to the same limitation, and will have priority on the next Dealing Day. If requests for realisation are so carried forward, the Manager will inform the Unitholders concerned.

The Manager does not authorise practices connected to market timing and it reserves the right to reject any applications for subscriptions or conversions of Units from a Unitholder which it suspects to use such practices and take, the case be, the necessary measures to protect the Unitholders of the Sub-Funds.

Market timing is to be understood as an arbitrage method through which a Unitholder systematically subscribes and realises or converts Units within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the concerned Sub-Funds.

VALUATION

The value of the net assets of each Sub-Fund will be determined as at each Valuation Point in accordance with the Trust Deed. The Trust Deed provides (inter alia) that:–

(a) except in the case of any interest in a collective investment scheme to which paragraph (b) applies and subject as provided in paragraph (f) below, all calculations based on the value of investments quoted, listed, traded or dealt in on any securities market shall be made by reference to the last traded price or (if no last traded price is available) midway between the latest available market dealing offered price and the latest available market dealing bid price on the principal stock exchange for such investments, at or immediately preceding the Valuation Point, and in determining such prices the Manager and the Trustee shall be entitled to use and rely on electronic price feeds from such source or sources as they may from time to time determine;

(b) subject as provided in paragraphs (c) and (f) below, the value of each interest in any collective investment scheme shall be the last published net asset value per Unit or share in such collective investment scheme (where available) or (if the same is not available) the last published bid price for such Unit or share at or immediately preceding the Valuation Point;

(c) if no net asset value, bid and offer prices or price quotations are available as provided in paragraphs (a) and (b) above, the value of the relevant investment shall be certified by such firm or institution making a market in such investment as may be appointed for such purpose by the Manager or, if the Trustee so requires, by the Manager after consultation with the Trustee;

(d) the value of any investment which is not listed or ordinarily dealt in on a market shall be the initial value thereof equal to the amount expended out of the relevant Sub-Fund in the acquisition of such investment (including in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may with the approval of the Trustee and shall at the request of the Trustee cause a revaluation to be made by a professional person approved by the Trustee as qualified to value such investment;

(e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof;

(f) notwithstanding the foregoing, the Manager may with the consent of the Trustee adjust the value of any investment or permit some other method of valuation to be used if, having regard to currency, applicable rate of interest, maturity, marketability and other considerations the Manager deems relevant, it considers that such adjustment or use of such other method is required to reflect the fair value of the investment. For instance, where the market value of an investment is unavailable or where the Manager reasonably believes that no reliable price exists or the most recent price available does not reflect a price the relevant Sub-Fund would expect to receive upon the current sale of the investment, the Manager may value the investment at a price which the Manager believes reflects a fair and reasonable price for that investment in the prevailing circumstances;

(g) the value of any investment (whether of a security or cash) otherwise than in the base currency of the relevant Sub-Fund shall be converted into currency at the rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange; and

(h) where a third party is engaged in the valuation of the assets of the relevant Sub-Fund, the Manager shall exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of such third party in ensuring such entity possesses the appropriate level of knowledge, experience and resources that is commensurate with the valuation policies and procedures for such Sub-Fund. The valuation activities of such third party shall be subject to ongoing supervision and periodic review by the Manager.

Suspension of Calculation of Net Asset Value

The Manager may, after consultation with the Trustee, having regard to the best interests of Unitholders, declare a suspension of the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period during which:

(a) there is a closure of or the restriction or suspension of trading on any securities market on which a substantial part of the investments of the relevant Sub-Fund is normally traded or a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the prices of investments or the Net Asset Value of the relevant Sub-Fund or the Net Asset Value per Unit in the relevant Sub-Fund; or

(b) for any other reason the prices of investments of the relevant Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly and fairly be ascertained; or

(c) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any investments of the relevant Sub-Fund or it is not possible to do so without seriously prejudicing the interests of relevant Unitholders; or

(d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of the relevant Sub-Fund or the issue or realisation of Units in the relevant Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised shall exist.

Whenever the Manager declares such a suspension it shall immediately after any such declaration and at least once a month during the period of such suspension, publish on the Manager's website: www.bea-union-investment.com that such declaration has been made. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

No Units in the relevant Sub-Fund may be issued, realised or converted during such a period of suspension.

Adjustment of Prices

<u>Fiscal charges adjustment</u>

In calculating the realisation price, the Manager may make adjustment by deducting the fiscal and sale charges associated with the trading of underlying securities including (but not limited to) bid-offer spreads, brokerage, bank charges, taxes and government charges. In particular, the adjustment will be made during exceptional market circumstances or under circumstances when the Manager (after consultation with the Trustee) considers it is in the best interest of Unitholders. Such adjustment will be applied on a fair and equitable basis and in the best interest of Unitholders.

<u>Swing pricing</u>

Separately, transactions in and out of a Sub-Fund may dilute the Sub-Fund's assets due to dealing and other costs (including, but not limited to, bid-offer spreads, brokerage, taxes and government charges) associated with the trading of underlying securities. In addition to the fiscal charges adjustment above, the Sub-Funds will adopt a pricing adjustment mechanism (commonly known as "swing pricing") in order to mitigate any adverse impact (e.g. effect of transaction costs) to the Sub-Fund due to significant net subscriptions or realisations from Unitholders. If on a particular Dealing Day, the net subscription (realisation) of the Sub-Fund exceeds the predefined threshold as determined by the Manager from time to time, the Net Asset Value may be adjusted higher (lower), by an adjustment rate of normally no more than 3%, to all classes of Units of the Sub-Fund equally to protect existing Unitholders. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. All transactions on that Dealing Day will adopt the adjusted Net Asset Value. Adjusting the Net Asset Value upward (downward) results in investors paying more (receiving less) for each Unit.

Until the threshold rate is triggered, no pricing adjustment is applied and the transaction costs will be borne by the Sub-Fund. For the avoidance of doubt, fees other than the preliminary charge, realisation charge and conversion charge will continue to be calculated on the basis of the unadjusted Net Asset Value.

As swing pricing can only be applied in one direction on any given Dealing Day, to recover the material dilution for the Sub-Fund, the adjustment made to the issue price or realisation price may also benefit certain investors relative to other Unitholders in the Sub-Fund as a whole. For instance, investors subscribing into the Sub-Fund on a Dealing Day on which the issue price is adjusted downwards as a result of net realisations from the relevant Sub-Fund may benefit from paying a lower issue price in respect of their subscriptions than they would otherwise have been charged.

Both fiscal charges adjustment and swing pricing are adopted with a view to protecting the interest of Unitholders. The Manager will consult with the Trustee prior to any such adjustment.

INVESTMENT AND BORROWING RESTRICTIONS

The Trust Deed sets out restrictions and prohibitions on the acquisition of certain investments by the Manager for the Fund and borrowing restrictions. Unless otherwise disclosed in the Appendix for each Sub-Fund and agreed by the SFC, each of the Sub-Fund(s) is subject to the investment restrictions and borrowing restrictions set out in Schedule I to this Explanatory Memorandum.

Breach of Investment and Borrowing Restrictions

If the investment and borrowing restrictions for a Sub-Fund are breached, the Manager shall as a priority objective take all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the Unitholders of the relevant Sub-Fund.

Additional Country Specific Investment and Borrowing Restrictions

<u>Switzerland</u>

Additional investment and borrowing restrictions apply to Sub-Fund(s) registered in Switzerland under Mutual Recognition of Funds (MRF) between Switzerland and Hong Kong:

a) The Manager shall not on behalf of the relevant Sub-Fund(s):–

   (i) make short sales of investments;

   (ii) invest in precious metals or precious metals certificates, commodities or commodity certificates;

   (iii) invest in collective investment schemes that may on their part invest more than a total of 10 percent of their net assets in other collective investment schemes.

SECURITIES LENDING, SALE AND REPURCHASE AND REVERSE REPURCHASE TRANSACTIONS

Unless otherwise disclosed in the Appendix of a Sub-Fund, the Manager currently does not intend to enter into any securities lending, sale and repurchase and/or reverse repurchase transactions in respect of any of the Sub-Funds.

Information on a Sub-Fund's securities lending transactions (if applicable) will be included in the annual report of the Sub-Fund.

RISK FACTORS

Each Sub-Fund is subject to market fluctuations and to the risks inherent in all investments. The price of Units of any Sub-Fund and the income from them may go down as well as up.

Investors' attention is drawn to the following risk factors:

The performance of the Sub-Funds is subject to a number of risk factors and the risks associated with investments in underlying funds where the Sub-Fund is structured as a feeder fund, including those set out below.

(i) Investment risks – A Sub-Fund's investment portfolio may fall in value due to any of the key risk factors set out in this Explanatory Memorandum and the Appendix for the relevant Sub-Fund and therefore the investment in the relevant Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

(ii) Political, economic and social risks – All financial markets may at times be adversely affected by changes in political, economic and social conditions.

(iii) Emerging markets – Various countries or regions in which a Sub-Fund may invest are considered as emerging markets. As emerging markets tend to be more volatile than developed markets, any holdings in emerging markets are exposed to higher levels of risks such as market risk, liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks and custody risk. The securities markets of some of the emerging countries or regions in which a Sub-Fund's assets may be invested are not yet fully developed which may, in some circumstances, lead to a potential lack of liquidity. Accounting, auditing and financial reporting standards in some of the emerging markets in which a Sub-Fund's assets may be invested may be less vigorous than international standards. As a result, certain material disclosures may not be made by some companies.

(iv) Currency risk – Certain Sub-Funds may be denominated in a certain currency although they may be invested in whole or in part in assets quoted in other currencies. The performance of such Sub-Funds will therefore be affected by changes in the exchange rate controls (if any) and movements in the exchange rate between the currencies in which the assets are held and the base currency of the Sub-Fund. Since the Manager aims to maximise returns for such Sub-Funds in terms of their base currency, investors in these Sub-Funds may be exposed to additional currency risk. Where the class currency of a class of Units is different from the base currency of the Sub-Fund, Unitholders of such class of Units are also subject to exchange rate risks between the two currencies.

(v) Interest rates – Interest rates may be subject to fluctuation. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. High yield bonds are particularly susceptible to interest rate changes and may experience significant price volatility. Any fluctuation in interest rates may have a direct effect on the income received by such Sub-Funds and their respective capital value.

(vi) Volatility and liquidity risk – The debt securities in certain markets (e.g. China, Asia) 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 a Sub-Fund may incur significant trading costs.

(vii) Downgrading risk – Investment grade securities invested by a Sub-Fund may be subject to the risk of being downgraded to below investment grade securities. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, a Sub-Fund's investment value in such security may be adversely affected. The investment manager of the Sub-Fund may or may not dispose of the securities, subject to the investment objective of the Sub-Fund. In the event of investment grade securities being downgraded to below investment grade securities, the Sub-Fund will also be subject to the below investment grade securities risk outlined in the following paragraph.

(viii) Below investment grade and non-rated securities – A Sub-Fund may invest in securities which are below investment grade or which are non-rated. Investors should note that such securities would generally be considered to have a higher credit risk and a greater possibility of default than more highly rated securities. If the issuer of securities defaults, or such securities cannot be realised, or perform badly, investor may suffer substantial losses of principal and interest. In addition, the market for securities which are non-rated or rated below investment grade and/or have a lower credit rating generally is of lower liquidity, higher volatility and less active than that for higher rated securities and a Sub-Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by factors such as adverse publicity and investor perception.

(ix) Credit/Counterparty risk – A Sub-Fund is exposed to the credit/default risk of issuers or guarantors of the debt securities that the relevant Sub-Fund may invest in. In times of financial instability there may be increased uncertainty around the credit worthiness of issuers of debt or other securities. Market conditions may mean there are increased instances of default amongst issuers. If the issuer of any of the securities in which the assets of a Sub-Fund are invested defaults or suffers insolvency or other financial difficulties, the value of such Sub-Fund will be adversely affected.

(x) Sovereign debt risk – A 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 a Sub-Fund to participate in restructuring such debts. Such Sub-Fund may suffer significant losses when there is a default of sovereign debt issuers.

(xi) Risks associated with asset backed securities and mortgage backed securities – Asset backed securities and mortgage backed securities may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

(xii) Valuation risk – Valuation of a 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 such Sub-Fund.

(xiii) 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.

(xiv) Credit rating agency risk (for Mainland China onshore debt securities) – The credit appraisal system in the Mainland and the rating methodologies employed in the Mainland may be different from those employed in other markets. Credit ratings given by Mainland rating agencies may therefore not be directly comparable with those given by other international rating agencies.

(xv) Risks of investing in convertible bonds – Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

(xvi) Over-the-counter markets – In general, for investments traded on over-the-counter (OTC) markets, there is less governmental regulation and supervision of transactions in the OTC markets (in which many different kinds of financial derivatives instruments and structured products are generally traded) than of transactions entered into on organized exchanges. In addition, many of the protections afforded to participants on some organized exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions carried out on OTC markets. Therefore, a Sub-Fund entering into OTC transactions will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a Sub-Fund will sustain losses.

In addition, certain instruments traded on the OTC markets (such as customised financial derivatives and structured products) can be illiquid. The market for relatively illiquid investments tends to be more volatile than the market for more liquid investments.

(xvii) Diversification risk – Certain Sub-Funds may invest only in a specific country/region/sector. Although each Sub-Fund's portfolio will be well diversified in terms of the number of holdings, investors should be aware that such Sub-Funds are likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as they are more susceptible to fluctuations in value resulting from adverse conditions in their respective countries or regions.

(xviii) Hedging – The Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market risks. There is no guarantee that hedging techniques will achieve their desired result.

Currency Hedged class Units may be available in each Sub-Fund and are designated in currencies other than the Sub-Fund's base currency. In such circumstances adverse exchange rate fluctuations between the base currency of the Sub-Fund and the class currency of the Currency Hedged class Units may result in a decrease in return and/or loss of capital for Unitholders. The Manager will try to mitigate this usually by hedging the foreign currency exposure of the Currency Hedged class Units into the base currency of the relevant Sub-Fund or into the currency or currencies in which the assets of the relevant Sub-Fund are denominated. In general, the Manager implements the foreign exchange hedge by using derivative instruments and contracts. Investors should note that over-hedged or under-hedged positions may arise due to factors outside the control of the Manager such as fluctuation of the net asset value of the relevant Sub-Fund. While hedging may protect investors against a decrease in the value of the base currency of the relevant Sub-Fund or the currency or currencies in which the assets of the relevant Sub-Fund are denominated, it may limit investors of the relevant Currency Hedged class Units from benefiting from an increase in the value of the base currency of the relevant Sub-Fund or the currency or currencies in which the assets of the relevant Sub-Fund are denominated. Investors should be aware that there can be no assurance that Currency Hedged class Units will be hedged at all times or that the Manager will be successful in employing the hedge.

The Manager may also, at its absolute discretion, seek to fully or partially hedge currency exposures arising from some or all of a Sub-Fund's underlying assets to the base currency of that Sub-Fund. Unitholders whose base currency is different (or not in a currency linked to that Sub-Fund's base currency or currency in which the relevant Currency Hedged class Units are denominated) may be exposed to additional currency risk.

(xix) Market risk – The Sub-Funds which invest directly or indirectly in equities are subject to the risks generally associated with equity investment, namely, the market value of the stocks may go down as well as up. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, issuer-specific factors, and the business and social conditions in local and global marketplace. Securities exchanges typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the Sub-Funds to losses. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the relevant Sub-Fund.

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of a Sub-Fund. In falling equity markets there may be increased volatility. Market prices in such circumstances may defy rational analysis or expectation for prolonged periods of time, and can be influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons. Market volatility of a large enough magnitude can sometimes weaken what is deemed to be a sound fundamental basis for investing in a particular market or stock. Investment expectations may fail to be realised in such instances.

(xx) Liquidity risk – In extreme market conditions, it may be difficult for a Sub-Fund to realise an investment at short notice without suffering a discount to market value. In such circumstances, Unitholders may suffer a delay in realising their investment.

(xxi) Sector risk – The Sub-Funds which invest in a specific industry or target a specific sector will be subject to the risks of that industry or sector, which may include, but not limited to, rapid obsolescence of technology, sensitivity of regulatory change, minimal barriers to entry, and sensitivity to overall market swings.

(xxii) Derivative and structured product risk – Risks associated with derivatives include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. The leverage element/component of a derivative can result in a loss significantly greater than the amount invested in the derivative by a Sub-Fund. The Sub-Funds may invest in derivatives such as options, futures and convertible securities, and in depositary receipts, participation rights and potentially through other instruments which are linked to the performance of securities or indices such as participation notes, equity swaps and equity linked notes, which are sometimes referred to as "structured products". Investment in these instruments can be illiquid, if there is no active market in these instruments. Such Sub-Funds will be subject to insolvency or default risk of the issuers

or counterparties and over-the-counter markets risk. In addition, investment through structured products may lead to a dilution of performance of such Sub-Funds when compared to a fund investing directly in similar assets. Therefore, exposure to financial derivative instruments may lead to high risk of significant loss by the relevant Sub-Fund.

(xxiii) Risks associated with collateral management and re-investment of cash collateral – Where a Sub-Fund enters into a securities financing transaction such as securities lending transaction or an OTC derivative transaction, collateral may be received from or provided to the relevant counterparty.

Notwithstanding that a Sub-Fund may only accept non-cash collateral which is highly liquid, the relevant Sub-Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The relevant Sub-Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

Where cash collateral received by a Sub-Fund is re-invested, the relevant Sub-Fund will be exposed to the risk of a failure or default of the issuer of the relevant security in which the cash collateral has been invested.

Where collateral is provided by a Sub-Fund to the relevant counterparty, in the event of the insolvency of the counterparty, the relevant Sub-Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty.

Finance charges received by a Sub-Fund under a securities lending transaction may be reinvested in order to generate additional income. Similarly cash collateral received by a Sub-Fund may also be reinvested in order to generate additional income. In both circumstances, the relevant Sub-Fund will be exposed to market risk in respect of any such investments and may incur a loss in reinvesting the financing charges and cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made. A decline in the value of investment of the cash collateral would reduce the amount of collateral available to be returned by the relevant Sub-Fund to the securities lending counterparty at the conclusion of the securities lending contract. The relevant Sub-Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the relevant Sub-Fund.

(xxiv) Equity Linked Notes ("**ELN**") – A Sub-Fund may invest in instruments which are linked to the performance of securities or indices such as ELN or other similar instruments. ELN may not be listed and are subject to the terms and conditions imposed by their issuer. These terms may lead to delays in implementing the Manager's investment strategy due to restrictions on the issuer acquiring or disposing of the securities underlying the ELN. Investment in ELN can be illiquid as there is no active market in ELN. In order to meet realisation requests, the Sub-Funds rely upon the counterparty issuing the ELN to quote a price to unwind any part of the ELN. This price will reflect the market liquidity conditions and the size of the transaction.

Investors should note that different issuers of ELN may have varying valuation principles. Generally, valuation will be based on, among other factors, the closing price of the relevant security underlying the ELN. Valuation uncertainties such as foreign exchange conversion risk, bid and offers spread and other charges could have an adverse effect on the net asset value of the relevant Sub-Fund.

By seeking exposure to investments in certain listed securities through ELN, the Sub-Funds are taking on the credit risk of the issuer of the ELN. There is a risk that the issuer will not settle a transaction due to a credit or liquidity problem, thus causing the Sub-Funds to suffer a loss. In addition, in the case of a default, the Sub-Funds could become subject to adverse market movements while replacement transactions are executed.

An investment in an ELN entitles the holder to certain cash payments calculated by reference to the shares to which the ELN is linked. It is not an investment directly in the shares themselves. An investment in the ELN does not entitle the ELN holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares.

Investment through ELN may lead to a dilution of performance of the Sub-Funds when compared to a fund investing directly in similar assets. In addition, when the Sub-Funds intend to invest in a particular share through ELN, there is no guarantee that subsequent application monies for units in the Sub-Funds can be immediately invested in such share through ELN. This may impact on the performance of the Sub-Funds.

A Sub-Fund will invest not more than 15% of its Net Asset Value in ELN not listed or quoted on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such ELN is regularly traded. For purpose of investment restriction monitoring, ELN will be treated as an equity investment instead of being classified as a derivative in determining the appropriate limits.

(xxv) Currency forward contracts – A Sub-Fund may enter into currency forward contracts for hedging and/or investment purposes. Forward contracts are not traded on exchanges and are not standardized; rather, banks and dealers act as principals in these markets, negotiating each transaction on an individual basis. Trading in currency forward contracts is substantially unregulated; there is no limitation on daily price movements and speculative position limits are not applicable. The principals who deal in the forward markets are not required to continue to make markets in the currencies or commodities they trade and these markets can experience periods of illiquidity, sometimes of significant duration. Market illiquidity or disruption could result in major losses to a Sub-Fund.

Furthermore, currency forward contracts do not eliminate fluctuations in the prices of the Sub-Fund's securities or in foreign exchange rates, or prevent loss if the prices of these securities should decline. Performance may be strongly influenced by movements in foreign exchange rates because currency positions held by the Sub-Fund may not correspond with securities positions held. In such circumstances, the Sub-Fund's asset may be exposed to the losses on and the costs of the relevant financial instruments.

(xxvi) Restricted markets risk – The Sub-Funds may invest in securities in jurisdictions (including Mainland China) which may impose limitations or restrictions on offshore ownership or holdings. The Sub-Funds may be required to make such investments directly or indirectly. In either case, legal and regulatory restrictions or limitations may directly or indirectly have adverse effect on the liquidity and performance of such investments due to factors including (without limitation) repatriation limitations, unfavourable tax treatments, higher commission costs, dealing restrictions, regulatory reporting requirements, reliance on services of local custodians and service providers and other factors.

(xxvii) Concentration risk/Asian market risk – Some Sub-Funds' investments are concentrated in Asia. The value of such Sub-Funds may be more volatile than that of funds having a more diverse portfolio of investments. The value of such Sub-Funds may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Asian market.

(xxviii) China market risk – Investing in the China market is subject to the risks of investing in emerging markets generally and the risks specific to the China market in particular.

Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Mainland Chinese economy. Many of the economic reforms in Mainland China are unprecedented or experimental and are subject to adjustment and modification. Any significant change in such reforms may have a negative impact on investments in the China market.

The regulatory and legal framework for capital markets and joint stock companies in Mainland China is still under development. Mainland Chinese accounting standards and practice may deviate significantly from international accounting standards. The settlement and clearing systems of the Mainland Chinese securities markets may not be as well tested and may be subject to increased risks of error or inefficiency.

Investments in equity interests of Chinese companies may be made through China A-Shares, China B-Shares and China H-Shares. Investments in these securities may be subject to increased price volatility and lower liquidity.

The Chinese government's control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of Chinese companies.

Investors should also be aware that changes in the Mainland China taxation legislation could affect the amount of income which may be derived and the amount of capital returned from the investments of the relevant Sub-Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

(xxix) RMB currency and conversion risks – Investors should also refer to the following specific risk factor when investing in RMB classes of Units of a Sub-Fund: 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 a 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.

(xxx) "Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks – The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the Net Asset Value of a Sub-Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).

(xxxi) QI risk – Certain of the Sub-Funds may obtain access to China A-Shares, Renminbi denominated debt securities or other permissible investments, either indirectly through investing in equity linked notes issued by institutions which have obtained the qualified investor ("**QI**") status in Mainland China, or directly through the QI status. Further details relating to QI arrangements of the relevant Sub-Fund are set out in the Appendix relating to such Sub-Fund. Regarding investment in equity linked notes, please refer to the risk factor titled "Equity Linked Notes".

Investors should note that QI status could be suspended or revoked, which may have an adverse effect on a Sub-Fund's performance as the Sub-Fund may be required to dispose of its securities holdings. In addition, certain restrictions imposed by the Chinese government on QIs may have an adverse effect on such Sub-Fund's liquidity and performance. QIs are subject to restrictions on the maximum stake which can be held in any one listed company. In addition, according to the *Provisions on the Administration of Funds of Offshore Institutional Investors for Domestic Securities and Futures Investment* issued by the People's Bank of China and the State Administration of Foreign Exchange, there are rules and restrictions on remittance of principal, investment restrictions, and repatriation of principal and profits. Any restrictions on repatriation of principal and profits may impact on Sub-Funds' ability to meet redemption requests.

In extreme circumstances, a Sub-Fund may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue its investment objective or strategy, due to QI investment restrictions, illiquidity of the Mainland Chinese securities market, and/or delay or disruption in execution of trades or in settlement of trades.

Investors should also note that investments in securities through QIs are generally subject to compliance with the following investment restrictions currently imposed under QI regulations in Mainland China, as amended from time to time:

(a) shares held by each underlying foreign investor (such as the Sub-Fund) investing through QIs in each listed company should not exceed 10% of the total outstanding shares of such listed company; and

(b) total shares held by all underlying foreign investors who make investment through QIs in each listed company should not exceed 30% of the total outstanding shares of such listed company.

As there are limits on the total shares held by all underlying offshore investors in one listed company in Mainland China, the capacity of a Sub-Fund to make investments in China A-Shares will be affected by the activities of all other underlying offshore investors investing through QIs.

Any China A-Shares or other permissible securities acquired by a Sub-Fund through QI will be maintained by its QI custodian via a securities account in such name as may be permitted or required in accordance with the Mainland China laws. According to the China Securities Regulatory Commission's Notice of Issues relating to the Administration Measures for the Domestic Securities Investment by Qualified Foreign Institutional Investors ("**CSRC Notice**"), the securities account for a Sub-Fund in Mainland China is currently required to be maintained in the joint names of the QI and the Sub-Fund. Although the CSRC Notice indicates that the assets in such account would belong to such Sub-Fund, such Notice may only serve as an administrative guidance and may not have equal force of the law enacted by legislative bodies in Mainland China.

The current QI laws, rules and regulations are subject to change, which may take retrospective effect. In addition, there can be no assurance that the QI laws, rules and regulations will not be abolished. A Sub-Fund investing in Mainland China markets through a QI may be adversely affected as a result of such changes.

Investments will be made through a QI in Renminbi. A Sub-Fund may therefore be exposed to any fluctuation in the exchange rate in Renminbi in respect of such investments.

(xxxii) Risks associated with the Stock Connects – Certain Sub-Funds may invest in China A-Shares via the Stock Connects. In addition to the risk factor "China market risk", the following additional risks apply:

Capitalised terms herein, unless otherwise stated, shall have the same meanings as defined in Annex A of the Explanatory Memorandum.

Quota Limitations – The Stock Connects are subject to quota limitations. In particular, once the remaining balance of the Northbound Daily Quota drops to zero or the Northbound Daily Quota is exceeded during the opening call session, new buy orders will be rejected (though investors will be allowed to sell their cross-boundary securities regardless of the quota balance). Therefore, quota limitations may restrict the relevant Sub-Fund's ability to invest in China A-Shares through the Stock Connects on a timely basis, and such Sub-Fund may not be able to effectively pursue its investment strategies.

Clearing and Settlement Risk – HKSCC and ChinaClear have established the Stock Connects clearing links and each has become a participant of the other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Should the remote event of ChinaClear default occur and ChinaClear be declared as a defaulter, HKSCC's liabilities in Northbound trades under its market contracts with clearing participants will be limited to assisting clearing participants in pursuing their claims against ChinaClear. HKSCC should in good faith, seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or through ChinaClear's liquidation. In that event, the relevant Sub-Fund may suffer delay in the recovery process or may not fully recover its losses from ChinaClear.

Participation in corporate actions and shareholders' meetings – HKSCC will keep CCASS participants informed of corporate actions of SSE Securities and SZSE Securities. Hong Kong and overseas investors (including the relevant Sub-Fund) will need to comply with the arrangement and deadline specified by their respective brokers or custodians (i.e. CCASS participants). The time for them to take actions for some types of corporate actions of SSE Securities and SZSE Securities may be as short as one business day only. Therefore, the relevant Sub-Fund may not be able to participate in some corporate actions in a timely manner.

Hong Kong and overseas investors (including the relevant Sub-Fund) are holding SSE Securities and SZSE Securities traded via the Stock Connects through their brokers or custodians. Where the articles of association of a listed company do not prohibit the appointment of proxy/multiple proxies by its shareholder, HKSCC will make arrangements to appoint one or more investors as its proxies or representatives to attend shareholders' meetings when instructed. Further, investors (with holdings reaching the thresholds required under the Mainland China regulations and the articles of associations of listed companies) may, through their CCASS participants, pass on proposed resolutions to listed companies via HKSCC under the CCASS rules. HKSCC will pass on such resolutions to the companies as shareholder on record if so permitted under the relevant regulations and requirements.

Suspension Risk – Each of the SEHK, SSE and SZSE reserves the right to suspend trading if necessary for ensuring an orderly and fair market and that risks are managed prudently. Consent from the relevant regulator would be sought before a suspension is triggered. Where a suspension is effected, the relevant Sub-Fund's ability to access the Mainland China market will be adversely affected.

Differences in Trading Day – The Stock Connects only operate on days when both the Mainland China and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. So it is possible that there are occasions when it is a normal trading day for the Mainland China market but the Sub-Funds cannot carry out any China A-Shares trading. The Sub-Funds may be subject to a risk of price fluctuations in China A-Shares during the time when any of the Stock Connects is not trading as a result.

Restrictions on Selling Imposed by Front-end Monitoring – Mainland China regulations require that before an investor sells any share, there should be sufficient shares in the account; otherwise the SSE or SZSE will reject the sell order concerned. SEHK will carry out pre-trade checking on China A-Share sell orders of its participants (i.e. the stock brokers) to ensure there is no over-selling.

Generally, if a Sub-Fund intends to sell certain China A-Shares it holds, it must transfer those China A-Shares to the respective accounts of its broker(s) before the market opens on the day of selling. If it fails to meet this deadline, it will not be able to sell those shares on the trading day. Because of this requirement, a Sub-Fund may not be able to dispose of its holdings of China A-Shares in a timely manner.

However, the relevant Sub-Fund may maintain its China A-Shares with a custodian which is a custodian participant or general clearing participant participating in CCASS. In such circumstance, the Sub-Fund may request such custodian to open a special segregated account ("**SPSA**") in CCASS to maintain its holdings in China A-Shares under the enhanced pre-trade checking model. Each SPSA will be assigned a unique Investor ID by CCASS for the purpose of facilitating the order routing system to verify the holdings of an investor such as the relevant Sub-Fund. Provided that there is sufficient holding in the SPSA when a broker inputs the relevant Sub-Fund's sell order, the relevant Sub-Fund will only need to transfer China A-Shares from its SPSA to its broker's account after execution (as opposed to the practice of transferring China A-Shares to the broker's account under the current pre-trade checking model) and the relevant Sub-Fund will not be subject to the risk of being unable to dispose of its holdings of China A-Shares in a timely manner.

Operational Risk – The Stock Connects are premised on the functioning of the operational systems of the relevant market participants. Market participants are permitted to participate in this program subject to meeting certain information technology capability, risk management and other requirements as may be specified by the relevant exchange and/or clearing house.

The securities regimes and legal systems of the two markets differ significantly and market participants may need to address issues arising from the differences on an on-going basis. There is no assurance that the systems of the SEHK and market participants will function properly or will continue to be adapted to changes and developments in both markets. In the event that the relevant systems fail to function properly, trading in both markets through the program could be disrupted. The relevant Sub-Fund's ability to access the China A-Share market (and hence to pursue its investment strategy) may be adversely affected.

Regulatory Risk – The current regulations relating to Stock Connects are untested and there is no certainty as to how they will be applied. In addition, the current regulations are subject to change which may have potential retrospective effects and there can be no assurance that the Stock Connects will not be abolished. New regulations may be issued from time to time by the regulators/stock exchanges in the Mainland China and Hong Kong in connection with operations, legal enforcement and cross-border trades under the Stock Connects. The Sub-Funds may be adversely affected as a result of such changes.

Recalling of Eligible Stocks – When a stock is recalled from the scope of eligible stocks for trading via the Stock Connects, the stock can only be sold but restricted from being bought. This may affect the investment portfolio or strategies of the relevant Sub-Funds, for example, if the Manager wishes to purchase a stock which is recalled from the scope of eligible stocks.

Offshore shareholding restrictions risk – Hong Kong and overseas investors (including the relevant Sub-Fund) holding China A-Shares are subject to offshore shareholding restrictions. The capacity of the Sub-Fund to make investments in China A-Shares may be adversely affected by the activities of all underlying offshore investors investing through Stock Connects.

No Protection by Investor Compensation Fund – Investment in Stock Connects is conducted through brokers, and is subject to the risks of default by such brokers' in their obligations.

As disclosed in Annex A of the Explanatory Memorandum, the relevant Sub-Fund's investments through Northbound trading under the Stock Connects are not covered by the Hong Kong's Investor Compensation Fund. Therefore such Sub-Fund is exposed to the risks of default of the broker(s) it engages in its trading in China A-Shares through the programme.

(xxxiii) Mainland China tax considerations – By investing in PRC shares (including China A-, B- and H-Shares), Renminbi denominated corporate and government bonds, securities investment fund and warrants listed on the PRC stock exchanges (together "**PRC Securities**"), a Sub-Fund may be subject to withholding and other taxes imposed in Mainland China.

Corporate Income Tax:

For an enterprise that is not a tax resident enterprise and has no permanent establishment in Mainland China for Mainland China corporate income tax purposes under the Corporate Income Tax ("**CIT**") Law, a 10% Mainland China corporate income tax on a withholding basis ("**Mainland China WIT**") shall, subject to exemptions, apply to capital gains derived from the disposal of PRC Securities (although there could be practical difficulty for the Mainland Chinese tax authorities to impose and collect Mainland China WIT on capital gains derived from the trading of China H-Shares which is conducted outside Mainland China).

Interests and Dividends

Currently, a 10% tax is payable on interests derived from RMB denominated corporate bonds and dividends derived from China A-, B- and H-Shares unless a specific exemption is applicable. The entity distributing such dividend or interests is required to withhold such tax. Although no specific rules governing taxes in respect of dividends derived from China B-Shares have been issued, it is believed that similar tax treatment shall apply. On the other hand, interests derived from government bonds are exempt from Mainland China income tax under the CIT Law.

Caishui [2018] No. 108 ("**Circular No. 108**") on tax treatment for Overseas Institutional Investors ("**OIIs**") investing in China onshore bond market dated 7 November 2018 mentioned that the interest income of the bonds derived by OIIs in the Mainland China bond market is temporarily exempted from Mainland China WIT for three years effective from 7 November 2018 to 6 November 2021.

Under the Arrangement between the Mainland China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Mainland China-HK Arrangement**"), the Mainland China WIT charged on interest received by Hong Kong resident holders of debt instruments will be 7% of the gross amount of the interest, if the Hong Kong tax residents are the beneficial owners under the Mainland China-HK Arrangement,

subject to the approval of the Mainland Chinese tax authorities. However, there are still uncertainties as to how the Mainland Chinese tax authorities will assess the beneficial ownership for investment fund cases; it is uncertain whether the relevant Sub-Fund can obtain approval from the Mainland Chinese tax authorities for this preferential rate. The Manager will continue to review the position including the views of the Mainland Chinese tax authorities, the administrative requirements for seeking such approvals and the cost and uncertainty of seeking approvals. The Manager may seek to apply for such approval from the Mainland Chinese tax authorities in relation to the relevant Sub-Fund, although this cannot be guaranteed. If the relevant approval is not obtained, the general Mainland China WIT rate of 10% will be applicable to the relevant Sub-Fund on interest. Pursuant to the Mainland China-HK Arrangement, the tax charged on dividends received by the non-resident holders of shares issued by Mainland Chinese resident companies will be 5% of the gross amount of the dividends, if Hong Kong tax residents are the beneficial owners and directly hold at least 25% of the equity of the company paying the dividends. Due to the investment restriction, the relevant Sub-Fund will not hold more than 10% of any ordinary shares issued by any single issuer. In this connection, dividends derived from China A-Shares invested through QIs will not benefit from the reduced tax rate of 5% and the general tax rate of 10% is applicable to the relevant Sub-Fund.

Capital Gains

Specific rules governing taxes on QI's capital gains derived from the trading of debt securities in Mainland China have yet to be announced. In the absence of such specific rules, the Mainland China income tax treatment should be governed by the general tax provisions of the CIT Law.

Pursuant to the Mainland China-HK Arrangement, capital gains derived by a Hong Kong tax resident from the disposal of Renminbi denominated corporate, government and non-government bonds may be exempted from the Mainland China WIT, subject to the approval of the Mainland Chinese authorities. This tax treaty exemption on capital gain will only apply if specific approval is obtained from the Mainland Chinese tax authorities. In this connection, the Manager will further assess and seek to apply with Mainland Chinese tax authorities to treat the relevant Sub-Fund and/or the Manager as Hong Kong tax resident and be able to enjoy the above capital gain tax exemption under the Mainland China-HK Arrangement, although this cannot be guaranteed. If the relevant approval is not obtained, the general rate of 10% will be applicable to the capital gains derived by the relevant Sub-Fund on the dealing of the PRC Securities other than equity investments issued by Mainland Chinese resident issuers.

In respect of equity interest investments such as China A-Shares, the Ministry of Finance, the State Taxation Administration and the China Securities Regulatory Commission have issued circulars on 14 November 2014 to clarify the relevant corporate income tax liabilities:–

(i) Pursuant to the *Circular Concerning the Temporary Exemption of the Corporate Income Tax for Gains Earned by QFII and RQFII from Transfer of Domestic Shares and Other Equity Interest Investment in China* under Caishui [2014] No.79 ("**Circular No. 79**"):

- corporate income tax shall be exempt on a temporary basis on the gains earned by QIs from the transfer of domestic shares and other equity interest investment in Mainland China with effect from 17 November 2014; and
- corporate income tax shall be imposed on such gains earned by QIs before 17 November 2014 in accordance with the tax laws.

This circular is applicable for QIs without any establishment or place in Mainland China or the income derived by the QIs are not effectively connected with their establishment or place in Mainland China.

(ii) Pursuant to the *Circular on the Taxation Policy of the Pilot Programme for the Mutual Stock Market Access between Shanghai and Hong Kong Stock Markets* under Caishui [2014] No.81 ("**Circular No. 81**") and the *Circular on Issues Relating to the Tax Policy of the Pilot Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets* under Caishui [2016] No.127 ("**Circular No. 127**"), in respect of trading of China A-Shares through the Stock Connects:

- corporate income tax shall be exempt on a temporary basis on the gains earned by Hong Kong market investors (including corporate and individual investors) from the transfer of China A-Shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange; and

- Hong Kong market investors are required to pay tax on dividend and bonus of China A-Shares at a standard rate of 10%, which will be withheld and paid to the relevant Mainland Chinese tax authority by the respective listed companies (before the Hong Kong Securities Clearing Company Limited is able to provide details such as investor identities and holding periods to the China Securities Depository and Clearing Corporation Limited, the policy of differentiated rates of taxation based on holding periods will temporarily not be implemented).

Value-added Tax ("**VAT**"):

Business Tax was completely replaced by VAT starting from 1 May 2016. With the Circulars Caishui [2016] No. 36 ("**Circular No.36**") and Caishui [2017] No. 70 ("**Circular No. 70**"), gains derived by QIs from the transfer of PRC Securities will be exempt from VAT since 1 May 2016. Also, based on Circular No.36, Circular No.81 and Circular No.127, the gains derived through Stock Connects from transfer of China A-Shares will be exempt from VAT since 1 May 2016.

However, for marketable securities other than those invested under QIs and Stock Connects, Circular 36 shall apply to levy VAT at 6% on the difference between the selling and purchase prices of those marketable securities. Where capital gains are derived from transfer of offshore investment (e.g. H-Shares), VAT in general is not imposed as the purchase and disposal are often concluded and completed outside Mainland China. It is not clear on whether and how the collection of VAT on capital gains derived by non-Mainland China tax resident enterprises from the trading (i.e. both buy and sales) of China B-Shares would be enforced.

Interest income received by QIs from investments in onshore debt securities shall be subject to 6% VAT unless special exemption applies. According to the Circular 36 and Caishui [2016] No. 46, deposit interest income is not subject to VAT and interest income earned on government bonds and policy bank bonds is exempted from VAT. While pursuant to Caishui [2018] No. 108, the interest income of the bonds derived by OIIs in China onshore bond market is exempted from VAT for three years effective from 7 November 2018 to 6 November 2021.

Dividend income or profit distributions on equity investment derived from Mainland China are not included in the taxable scope of VAT.

If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would amount to as high as 12% of VAT payable.

Stamp duty:

Stamp duty under the Mainland China laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in Mainland China of certain documents, including contracts for the sale of China A- and B-Shares traded on the Mainland China stock exchanges, at the rate of 0.1%. In the case of contracts for sale of China A- and B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser.

Under Circular No. 81, Hong Kong market investors trading through Stock Connects are required to pay stamp duty arising from the sale and purchase of China A-Shares and the transfer of China A-Shares by way of succession and gift in accordance with the prevailing Mainland China taxation regulations.

Tax provision:

It is the intention of the Manager to operate the affairs of the Manager as a QI and the relevant Sub-Funds such that they are not tax resident enterprises and have no permanent establishment in Mainland China for Mainland China corporate income tax purposes, although this cannot be guaranteed. Separately, for the tax treatment of income tax and other tax categories payable in respect of trading in China interbank bond market by offshore institutional investors (except WIT and VAT on interest income from Mainland debt securities are exempted on temporary basis pursuant to Circular No. 108), there is no specific guidance released by the Mainland Chinese tax authorities. Any Mainland China WIT imposed in respect of the PRC Securities invested by the relevant Sub-Fund will be passed on to the Sub-Fund and the asset value of the Sub-Fund will be reduced accordingly.

The Manager may make further provisions in respect of a Sub-Fund for the above tax obligations based on professional and independent tax advice obtained. With the uncertainties under the applicable Mainland China tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation, if made by the Manager, may be excessive or inadequate to meet actual Mainland China tax liabilities on gains derived from PRC Securities. In the event that it is satisfied (based on tax advice) that part of the tax provisions are not required, the Manager will release such provisions back into the relevant Sub-Fund, forming part of such Sub-Fund's assets. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Sub-Fund's assets, the Sub-Fund's asset value will be adversely affected.

Investors may be advantaged or disadvantaged depending upon the final tax outcome as and when they subscribed and/or realised their Units in/from the relevant Sub-Fund. Investors should note that no Unitholders who have realised their Units in the Sub-Fund before the release of any excess tax provision shall be entitled to claim in whatsoever form any part of the tax provision or withholding amounts released to the relevant Sub-Fund, which amount will be reflected in the value of Units in such Sub-Fund.

The Manager, after taking professional and independent tax advice, has also decided that the relevant Sub-Fund will not withhold any amount of realised or unrealised gains on its investments in China A-Shares as tax provisions.

Various tax reform policies have been implemented by the Chinese government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in Mainland China will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the relevant Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to offshore companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in Mainland China which a Sub-Fund invests in, thereby reducing the income from, and/or value of the Units.

(xxxiv) Custodial risk and brokerage risk – Custodians or sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where a Sub-Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund may be exposed to custodial risk. In certain circumstances a Sub-Fund may take a longer time or may even be unable to recover some of its assets. Such circumstances may include the liquidation, bankruptcy or insolvency of a custodian or sub-custodian, retroactive application of legislation and fraud or improper registration of title. The costs borne by a Sub-Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

Where a Sub-Fund invests in China A-Shares or other PRC Securities through a QI, such securities will be maintained by a custodian bank ("**QI Custodian**") appointed by the QI pursuant to Mainland China regulations through a securities account with the China Securities Depository and Clearing Corporation Limited in such name as may be permitted or required in accordance with Mainland China law. In addition, the execution and settlement of transactions or the transfer of any funds or securities may be conducted by brokers ("**Mainland China Brokers**") appointed by the QI. If the QI Custodian or the Mainland China Brokers default, the Sub-Fund may suffer substantial losses.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Fund and each of the Sub-Funds. In the case where a custodian is appointed in relation to a Sub-Fund, the Trustee shall be responsible for the acts or omission of such custodian and it shall ensure that such custodian has the relevant qualifications, good financial standing and business track record, and that assets of each Sub-Fund are held to the Trustee's order. The Trustee will not however be responsible for any loss suffered by a Sub-Fund by reason only of the liquidation, bankruptcy or insolvency of any such custodian which is not member of the group of companies to which the Trustee belongs. The Trustee will ensure the proper segregation of a Sub-Fund's assets by the custodian.

(xxxv) Counterparty risk – The Sub-Funds may invest in different instruments in accordance with their objectives and as permitted by the investment restrictions. If the counterparties of these underlying investments default, the Sub-Funds could suffer substantial losses. In addition, if the counterparties with which a Sub-Fund effects transactions cease making markets or quoting prices in certain of the instruments, the Sub-Fund may be unable to enter into a desired transaction or to enter into an offsetting transaction with respect to an open position, which may adversely affect its performance.

(xxxvi) Risk associated with small-capitalisation/mid-capitalisation companies – The stock prices of small and medium-sized companies may tend to be more volatile than large-sized companies due to a lower degree of liquidity, greater sensitivity to changes in economic conditions and higher uncertainty over future growth prospects.

(xxxvii) Risk of termination – a Sub-Fund may be terminated in certain circumstances which are summarised under the section "**Termination of the Fund or any Sub-Fund**". A Sub-Fund may be terminated by the Manager (a) if the Net Asset Value of the Fund or a Sub-Fund shall be less than HK$80 million and/or Unitholders pass an extraordinary resolution approving such termination, or (b) if any law shall render it illegal or in the opinion of the Manager impracticable or inadvisable to continue the Fund or a Sub-Fund. In the event of the termination of a Sub-Fund, such Sub-Fund would have to distribute to the Unitholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund might be worth less than the initial cost of such investments, resulting in a loss to the Unitholders. Moreover, any organisational expenses with regard to the relevant Sub-Fund that had not yet been fully amortized would be debited against the Sub-Fund's capital at that time.

(xxxviii) Effect of distribution out of capital – The Manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of a Sub-Fund. Distributions paid out of capital amount to a return or withdrawal of part of the Unitholder's original investment or from any capital gains attributable to that original investment. Any such distributions may result in an immediate reduction in the Net Asset Value per Unit.

Where a Sub-Fund has Currency Hedged class Units (i.e. classes of Units hedged to a currency other than the Base Currency of the relevant Sub-Fund), the distribution amount and Net Asset Value of the Currency Hedged class Units may be adversely affected by differences in the interest rates of the reference currency of the Currency Hedged class Units 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 Unit classes.

(xxxix) U.S. Foreign Account Tax Compliance Act – Sections 1471 – 1474 of the US Internal Revenue Code of 1986 ("**IRS Code**"), as amended (referred to as the Foreign Account Tax Compliance Act or "**FATCA**"), was enacted in March, 2010 which requires foreign financial institutions ("**FFIs**") (such as the Fund and the Sub-Funds) to report on certain foreign accounts, and certain US Persons' direct and indirect ownership of non-US accounts and non-US entities with respect to certain payments made to such accounts, including interest and dividends from securities of US issuers and gross proceeds from the sale of such securities that can produce US source income. All such payments may be subject to withholding at a 30% rate, unless the recipient of the payment satisfies certain requirements intended to enable the US Internal Revenue Service ("**IRS**") to identify United States persons (within the meaning of the IRS Code) with interests in such payments. To avoid such withholding on payments made to it, an **FFI**, such as the Fund and the Sub-Funds (and, generally, other investment funds organised outside the US), generally will be required to enter into an agreement (an "**FFI Agreement**") with the US IRS under which it will agree to identify its direct or indirect owners who are US Persons and report certain information concerning such US Person to the US IRS.

Hong Kong and the US signed an intergovernmental agreement ("**IGA**"), which facilitates compliance with the FATCA by financial institutions in Hong Kong. Under the IGA, each of the Fund and its Sub-Funds registers with the US IRS is a Reporting Model 2 FFI and will not be subject to withholding tax under the FATCA if it identifies certain US Accounts and annually reports certain information of such US Accounts directly to the US IRS as required.

The Manager has been registered as a "sponsoring FFI" (i.e. the FFI which undertakes the obligations under FATCA on behalf of the Fund and/or the Sub-Funds), and the Fund and/or the Sub-Funds have been registered as "sponsored FFIs". The Manager, the Fund and the Sub-Funds has already entered into FFI Agreement with the US IRS and registered with the US IRS.

The Fund and each Sub-Fund will endeavour to satisfy the requirements imposed under FATCA and the FFI Agreement to avoid any withholding tax. In the event that the Fund and/or any Sub-Fund is not able to comply with the requirements imposed by FATCA or the FFI Agreement and the Fund or such Sub-Fund does suffer FATCA withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Fund and/or that Sub-Fund may be adversely affected and the Fund and/or such Sub-Fund may suffer significant loss as a result.

In the event a Unitholder does not provide the requested information and/or documentation, whether or not that actually leads to non-compliance by the Fund and/or the relevant Sub-Fund, or a risk of the Fund and/or the relevant Sub-Fund being subject to withholding tax under FATCA, the Manager on behalf of the Fund and/or each of such relevant Sub-Fund reserves the right to take any action and/or pursue all remedies at its disposal including, without limitation, (i) reporting the relevant information of such Unitholder to the US IRS; (ii) withholding or deducting from such Unitholder's redemption proceeds or distributions to the extent permitted by applicable laws and regulations; and/or (iii) deeming such Unitholder to have given notice to redeem all his Units in the relevant Sub-Fund. The Manager in taking any such action or pursuing any such remedy shall act in good faith and on reasonable grounds.

Each Unitholder and prospective investor should consult with his own tax adviser as to the potential impact of FATCA in his own tax situation and the potential impact on the Fund and its Sub-Funds.

(xl) Risks associated with China interbank bond market – Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the China interbank bond market may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Sub-Fund transacts in the China interbank bond market, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via the Foreign Direct Access Regime and/or Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the China interbank bond market via Foreign Direct Access Regime and/or Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. In the event that the relevant Mainland Chinese authorities suspend account opening or trading on the China interbank bond market, the Sub-Fund's ability to invest in the China interbank bond market will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

Currently no specific guidance imposed by the Mainland Chinese tax authorities on the treatment of income tax and other tax categories payable in respect of trading in China interbank bond market by offshore institutional investors. There is a possibility of relevant tax rules being imposed and taxes being applied retrospectively. As such, any provision for taxation made by the Manager for the account of the relevant Sub-Funds may be excessive or inadequate to meet final Mainland China tax liabilities. Consequently, investors in the relevant Sub-Funds may be advantaged or disadvantaged depending upon the final tax liabilities and the level of provision and when they subscribe and/or realise their Units in/from the relevant Sub-Funds.

(xli) Risks associated with ChiNext market and/or Science and Technology Innovation board – Certain Sub-Funds may invest in the ChiNext market of the Shenzhen Stock Exchange via the Shenzhen-Hong Kong Stock Connects, and they may also invest in Science and Technology Innovation board ("**STAR board**") of the Shanghai Stock Exchange via the Shanghai-Hong Kong Stock Connects. Investments in ChiNext market and/or STAR board may result in significant losses for the Sub-Fund and its investors. The following additional risks apply:

Higher fluctuation on stock prices and liquidity risk – Listed companies on ChiNext market and/or STAR board are usually of emerging nature with smaller operating scale. Listed companies on ChiNext market and STAR board are subject to wider price fluctuation limits, and due to higher entry thresholds for investors may have limited liquidity, compared to other boards. Hence, companies listed on these boards are subject to higher fluctuation in stock prices and liquidity and have higher risks and turnover ratios than companies listed on the main board.

Over-valuation risk – Stocks listed on ChiNext market and/or STAR board may be overvalued and such exceptionally high valuation may not be sustainable. Stock price may be more susceptible to manipulation due to fewer circulating shares.

Differences in regulations – The rules and regulations regarding companies listed on ChiNext market and STAR board are less stringent in terms of profitability and share capital than those in the main board.

Delisting risk – It may be more common and faster for companies listed on ChiNext market and/or STAR board to delist. ChiNext market and STAR board have stricter criteria for delisting compared to the main boards. This may have an adverse impact on the Sub-Fund if the companies that it invests in are delisted.

Concentration risk – STAR board is a newly established board and may have a limited number of listed companies during the initial stage. Investments in STAR board may be concentrated in a smaller number of stocks and subject the Sub-Fund to higher concentration risk.

(xlii) Risks associated with debt instruments with loss-absorption features – Certain Sub-Funds may invest in debt instruments with loss-absorption features, for example, contingent convertible debt securities ("**CoCos**"), senior non-preferred debts and subordinated debts issued by financial institutions. These debt instruments are subject to greater risks when compared to traditional debt instruments as such instruments typically include terms and conditions which may result in them being partly or wholly written off, written down, or converted to ordinary shares of the issuer upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level).

Such trigger events are likely to be outside of the issuer's control and commonly include a reduction in the issuer's capital ratio below a specified level or upon specific government or regulatory action being taken as a result of the issuer's ongoing financial viability. Trigger events are complex and difficult to predict and can result in a significant or total reduction in the value of such instruments, giving rise to consequential loss of the relevant Sub-Fund.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

Certain Sub-Funds may invest in CoCos which are highly complex and are of high risk. Upon the occurrence of a trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Certain Sub-Funds may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

In particular for subordinated instruments (for example CoCos and subordinated debts), in the event of liquidation, dissolution or winding-up of an issuer, the relevant Sub-Fund's rights and claims against the issuer shall generally rank junior to the claims of all holders of unsubordinated obligations of the issuer.

The structure of some types of debt instruments with loss-absorption features is innovative and untested. In a stressed environment, it is uncertain how such instruments will perform.

(xliii) Pricing adjustments risk – Subscriptions or realisations may dilute a Sub-Fund's assets due to dealing and other costs associated with the trading of underlying securities. In order to counter this impact, adjustment of prices (including fiscal charges adjustment and swing pricing) may be adopted to protect the interests of Unitholders. Consequently, investors will subscribe (redeem) at a higher subscription price (lower realisation price). Investors should note that the occurrence of events which may trigger adjustment of prices is not predictable. It is not possible to accurately predict how frequent such adjustments of prices will need to be made. Adjustments may be greater than or less than the actual charges incurred. If the adjustments made are less than the actual charges incurred, the difference will be borne by the Sub-Fund. Investors should also be aware that adjustment of prices may not always, or fully, prevent the dilution of the Sub-Fund's assets.

In view of the above, investment in any Sub-Fund should be regarded as long term in nature. The Sub-Funds are, therefore, only suitable for investors who can afford the risks involved.

Investors should refer to the relevant Appendix for details of any additional risks specific to a Sub-Fund.

EXPENSES AND CHARGES

The current management fee, trustee fee, registrar's fee and holders servicing fee for each Sub-Fund are set out in the relevant Appendix. The management fee, trustee fee, registrar's fee and holders servicing fee for each Sub-Fund accrue daily and are payable monthly in arrears. The Manager will give one month's prior notice (or such other notice as may be approved by the SFC) to Unitholders should there be any increase of (i) the management fee from the current level up to the maximum level of 2.0% per annum, or (ii) the trustee fee from the current level up to the maximum level of 1.0% per annum, or (iii) the holders servicing fee from the current level up to the maximum level of 2.0% per annum.

The establishment costs of the Fund and the initial Sub-Fund in Hong Kong were borne by the initial Sub-Fund and deducted following the close of its launch period. The establishment costs and payments incurred in the establishment of subsequent Sub-Funds are to be borne by the relevant Sub-Fund to which such costs and payments relate.

Each Sub-Fund will bear the costs set out in the Trust Deed, which are directly attributable to it. Where such costs are not directly attributable to a Sub-Fund, the Manager shall determine in its absolute discretion how such costs are to be allocated. Such costs include but are not limited to the costs of investing and realising the investments of the Sub-Fund(s), the fees and expenses of custodians of the assets of the Fund, the fees and expenses of the auditors, valuation costs, legal fees, the costs incurred in connection with any listing or regulatory approval, the costs of holding meetings of Unitholders and the costs incurred in the preparation and printing of any explanatory memorandum. If any Sub-Fund is wound-up prior to the expenses being fully amortised, such unamortised amount will be borne by the relevant Sub-Fund before its termination.

For so long as the Fund and such Sub-Funds are authorised by the SFC, no advertising or promotional expenses shall be charged to the Sub-Funds so authorised.

Cash Rebates and Soft Commissions

The Manager may not retain any rebates of brokerage or commission which it may derive from or in connection with any purchase or sale of investments for the account of a Sub-Fund. None of the Manager, the Investment Delegate (if any) and/or any of their connected persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for a Sub-Fund to such brokers or dealers, save that (i) goods and services (soft commissions) may be retained if, such goods and services are of demonstrable benefit to the Unitholders, (ii) the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates, (iii) periodic disclosure is made in the annual report of the Fund or the relevant Sub-Fund in the form of a statement describing the soft dollar policies and practices of the Manager or the Investment Delegate, including a description of goods and services received by them; and (iv) the availability of soft dollar arrangements is not the sole or primary purpose to perform or arrange transaction with such broker or dealer. Goods and services described herein may include research and advisory services, computer hardware associated with specialised software or research services and performance measures, but not travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

The Manager, or the Investment Delegate and/or any of their connected persons reserves the right to effect transactions by or through the agency of another person with whom the Manager, or the Investment Delegate and/or any of their connected persons has an arrangement under which that party will from time to time provide to or procure for the Manager, or the Investment Delegate and/or any of their connected persons goods, services or other benefits (as described in the paragraph above) the nature of which is such that their provision can reasonably be expected to benefit the Fund as a whole and may contribute to an improvement in the performance of the Fund or of the Manager, or the Investment Delegate and/or any of their connected persons in providing services to the Fund and for which no direct payment is made but instead the Manager, or the Investment Delegate and/or any of their connected persons undertakes to place business with that party.

TAXATION

Each prospective Unitholder should inform himself of, and where appropriate take independent professional advice on, the taxes applicable to the acquisition, holding and realisation of Units by him under the laws of the places of his citizenship, residence and domicile.

Hong Kong

Units will be regarded as "Hong Kong stock" for the purposes of Hong Kong stamp duty. Sales or transfers of Units will be liable to Hong Kong ad valorem stamp duty at the rate of HK$1.30 per HK$1,000 or part thereof of the higher of the consideration for, or the value of, the Units payable by each of the transferor and the transferee (i.e. a total of HK$2.60 per HK$1,000 or part thereof). In addition, a fixed duty of HK$5.00 is currently payable on any instrument of transfer of Units. No Hong Kong stamp duty is payable, however, where the sale or transfer of the Unit is effected by extinguishing the Unit or the sale or transfer is to the Manager who subsequently re-sells the Units within two months thereof.

During such period as the Fund and such of its Sub-Funds are authorised by the SFC pursuant to section 104 of the SFO then, under present Hong Kong law and practice:–

(a) The Fund is not expected to be subject to Hong Kong tax in respect of any of its authorised activities.

(b) No tax will be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of the Sub-Funds so authorised or in respect of any capital gains arising on a sale, realisation or other disposal of Units of the authorised Sub-Funds, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

Automatic Exchange of Financial Account Information

The Inland Revenue (Amendment) (No.3) Ordinance 2016 (the "**Ordinance**") came into force on 30 June 2016. The Ordinance establishes the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("**AEOI**" and is also referred to as the Common Reporting Standard ("**CRS**")) in Hong Kong. The CRS requires financial institutions ("**FI**") in Hong Kong (such as the Fund and the Sub-Funds) to collect information relating to tax residents of reporting jurisdictions holding financial accounts with FIs, and report such information to the IRD. The information will be further exchanged with jurisdiction(s) in which the account holder is a tax resident. Generally, tax information will be exchanged only with jurisdictions with which Hong Kong has activated exchange relationships under AEOI on the basis of bilateral competent authority agreements or a multilateral competent authority agreement under the Convention on Mutual Administrative Assistance in Tax Matters; however, the Fund, the Sub-Funds and/or its agents may further collect information relating to residents of other jurisdictions.

The Fund and each Sub-Fund are required to comply with the requirements of CRS as implemented by Hong Kong, which means that the Fund, each Sub-Fund and/or its agents shall collect the relevant tax information relating to Unitholders and prospective investors and provide such information to the IRD.

The AEOI rules as implemented by Hong Kong require the Fund and each Sub-Fund to, amongst other things: (i) register the Fund's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. equity interest held by Unitholders) to identify whether any such accounts are considered "Reportable Accounts" for CRS purposes; and (iii) report certain information of such Reportable Accounts to the IRD. The IRD will then transmit such information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has activated exchange relationships under AEOI (i.e. the "**Reportable Jurisdictions**"). Broadly, CRS contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in the Reportable Jurisdictions; and (ii) certain entities controlled by individuals who are tax residents in the Reportable Jurisdictions (collectively as "**Reportable Persons**"). Under the Ordinance, details of the Reportable Persons, including but not limited to their name, date of birth, address, tax residence, taxpayer identification number, account details, account balance/value, and certain income or sale or redemption proceeds, will be reported to the IRD, which will be subsequently exchanged with government authorities in the relevant Reportable Jurisdictions.

By investing in the Fund and the relevant Sub-Fund and/or continuing to invest in the Fund and the relevant Sub-Fund, Unitholders acknowledge that they may be required to provide additional information to the Fund, the relevant Sub-Fund, the Manager and/or the Fund's agents in order for the Fund and the relevant Sub-Fund to comply with CRS. The Unitholder's information (and/or information pertaining to Controlling Person(s) of a Unitholder, as defined in the Ordinance), may be exchange by the IRD with government authorities in the Reportable Jurisdictions.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of CRS on its current or proposed investment in the Fund and the relevant Sub-Fund.

FINANCIAL REPORTS

The Fund's financial year end is on 31 December in each year. Audited annual reports (in English) will be made available to Unitholders as soon as possible, and in any event within four months, after the end of the financial year. The audited annual reports relating to a Sub-Fund which is structured as a feeder fund will include a statement of the investments comprised in the underlying fund in which that Sub-Fund invests. Unaudited interim reports (in English) will be made available to Unitholders within two months after 30 June in each year. Such reports contain a statement of the Net Asset Value of each Sub-Fund and of the investments comprising its portfolio.

Unitholders may obtain a copy of the audited annual reports and unaudited interim reports within four months and two months, respectively, after the relevant financial period at the following website: www.bea-union-investment.com. Investors should note that the website has not been reviewed or authorised by the SFC. The reports will also be available upon request to the Manager and for inspection at the Manager's office free of charge during normal working hours.

DISTRIBUTION OF INCOME

Unless otherwise described in the relevant Appendix, the Manager shall not make any distribution of income or net capital gains realised on the sale of investments, and income, if any, and net capital gains, if any, in respect of the Fund or any Sub-Fund shall be accumulated and capitalised. Unitholders will be given at least one month's prior written notice of any change to the distribution policy of the relevant Sub-Fund, subject to prior SFC approval.

Distributions of a Sub-Fund declared in respect of an Interim Accounting Period or an Accounting Period, if any, as described in the relevant Appendix, shall be distributed among the Unitholders of the relevant classes of Units rateably in accordance with the number of Units held by them on the Record Date in respect of such Interim Accounting Period or Accounting Period, as the case may be. For the avoidance of doubt, only Unitholders whose names are entered on the register of Unitholders on such Record Date shall be entitled to the distribution declared in respect of the corresponding Interim Accounting Period or Accounting Period, as the case maybe.

Payment of an interim distribution (if any) will be made within 12 weeks from the Interim Accounting Date and payment of a final distribution (if any) will be made within two months from the Accounting Date. Any payment of distributions will be made in the class currency of the relevant class of Units by cheque at the risk of the Unitholders (or in such other manner as may be agreed with the Manager). Any distribution which is not claimed for six years will be forfeited and become part of the assets of the relevant class of Units.

VOTING RIGHTS

Meetings of Unitholders may be convened by the Manager or the Trustee, and the Unitholders of 10% or more in value of the Units in issue may require a meeting to be convened. Unitholders will be given not less than 21 days' notice of any meeting.

The quorum for all meetings is Unitholders present in person or by proxy representing 10% of the Units for the time being in issue except for the purpose of passing an extraordinary resolution. The quorum for passing an extraordinary resolution shall be Unitholders present in person or by proxy representing 25% or more of the Units in issue. In the case of an adjourned meeting of which separate notice will be given, such Unitholders as are present in person or by proxy will form a quorum. On a show of hands, every individual Unitholder present in person or by representative has one vote; on a poll every Unitholder present in person, by proxy or by representative has one vote for every Unit of which he is the holder. In the case of joint Unitholders the senior of those who tenders a vote (in person or by proxy) will be accepted and seniority is determined by the order in which the names appear on the Register of Unitholders. A poll may be demanded by the Chairman or one or more Unitholders present in person or by proxy representing 5% in value of the Units for the time being in issue.

PUBLICATION OF PRICES

The Net Asset Value per Unit of each Sub-Fund will be published on every Dealing Day on the Manager's website: www.bea-union-investment.com. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

TRANSFER OF UNITS

Subject as provided below, Units may be transferred by an instrument in writing in common form signed by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of such Units.

Each instrument of transfer must relate to a single class of Units only. No Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the minimum holding (if any) of the relevant class.

TRUST DEED

The Fund was originally established under the laws of Hong Kong by a Trust Deed dated 18 January 2002 made between BEA Union Investment Management Limited (previously known as East Asia Asset Management Company Limited) as Manager and Bank of East Asia (Trustees) Limited as Trustee. On 11 November 2019, the parties entered into an Amended and Restated Trust Deed to amend the provisions of the original trust deed. The Amended and Restated Trust Deed may be amended from time to time.

The Trust Deed contains provisions for the indemnification of the parties and their exculpation from liability in certain circumstances. However, nothing in the Trust Deed shall exempt the Trustee or the Manager from or indemnify them against any liability for breach of trust or any liability which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default, breach of duty or trust of which they may be liable in relation to their duties and neither the Trustee nor the Manager may be indemnified against such liability by Unitholders or at Unitholders' expense. Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Copies of the Trust Deed (together with any undertakings given to the SFC) as for the time being in force may be obtained from the Manager at a cost of HK$500 each and may be inspected during normal working hours at the offices of the Manager and the Trustee free of charge.

TERMINATION OF THE FUND OR ANY SUB-FUND

The Fund shall continue for a period of 80 years from the date of the Trust Deed or until it is terminated in one of the ways set out below.

The Fund may be terminated by the Trustee, provided that the Trustee shall certify that in its opinion the proposed termination is in the interest of Unitholders, (a) if in the opinion of the Trustee, the Manager is incapable of performing or fails to perform its duties satisfactorily or (b) if the Manager goes into liquidation. Further at any time the Unitholders of the Fund or any Sub-Fund may authorise termination of such Sub-Fund by an extraordinary resolution. The Trustee may also terminate the Fund if any law shall be passed which renders it illegal or in the opinion of the Trustee impracticable or inadvisable in consultation with the relevant regulatory agencies (SFC in Hong Kong) to continue the Fund. Subject as further provided below, the Fund or any of BEA Union Investment Asian Bond and Currency Fund or BEA Union Investment China A-Share Equity Fund may be terminated by the Manager (a) if on any date, in relation to the Fund, the Net Asset Value of the Units of the Fund shall be below HK$80 million provided that an extraordinary resolution of affected Unitholders shall be required to approve the termination of the Fund or (b) if on any date, in relation to any of the aforementioned Sub-Funds, the aggregate Net Asset Value of Units outstanding in respect of such Sub-Fund shall be less than HK$80 million provided that an extraordinary resolution of affected Unitholders shall be required to approve the termination or (c) if any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable in consultation with the relevant regulatory agencies (SFC in Hong Kong) to continue the Fund or such Sub-Fund.

With respect to all other Sub-Funds, the Manager in its absolute discretion, may also give notice to terminate such Sub-Fund if (a) on any date, in relation to such Sub-Fund, the aggregate Net Asset Value of the Units of the relevant class outstanding shall be less than HK$80 million (or such other amount stated in the relevant notice of establishment), or (b) in the opinion of the Manager, it is impracticable or inadvisable to continue such Sub-Fund and/or any class of Units of such Sub-Fund (as the case may be) (including without limitation, a situation where it is no longer economically viable to operate the Investment Fund).

In cases of termination on notice, three months' notice of any termination will be given to Unitholders.

Any unclaimed proceeds or other cash held by the Trustee upon termination of the Fund, a Sub-Fund or a class of Units, as the case may be, may at the expiration of twelve months from the date upon which the same were payable be paid into court subject to the right of the Trustee to deduct therefrom any expenses it may incur in making such payment.

ANTI-MONEY LAUNDERING REGULATIONS

As part of the Manager's responsibility for the prevention of money laundering, the Manager may require a detailed verification of an investor's identity and the source of payment of application monies. Depending on the circumstances of each application, a detailed verification might not be required where:–

(a) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution; or

(b) the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country or region recognised as having sufficient anti-money laundering regulations. The Manager nevertheless reserves the right to request such information as is necessary to verify the identity of an applicant and the source of payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager may refuse to accept the application and the subscription monies relating thereto.

CONFLICTS OF INTEREST

The Manager, the Investment Delegate (if any), the Trustee and their respective connected persons may from time to time act as trustee, administrator, registrar, manager, custodian, investment manager or investment adviser, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients including those which have similar investment objectives to those of any Sub-Fund or contract with or enter into financial, banking or other transaction with one another or with any investor of the Sub-Funds, or any company or body any of whose shares or securities form part of any Sub-Fund or may be interested in any such contract or transaction. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are managed and minimised so far as reasonably practicable and that measures are adopted that seek to ensure such conflicts are resolved fairly and taking into account the interests of Unitholders of the relevant Sub-Fund as a whole. In any event, the Manager shall ensure that all investment opportunities will be fairly allocated.

The Manager and the Investment Delegate may enter into trades for the account of a Sub-Fund with the accounts of other clients of the Manager, the Investment Delegate or their connected persons (including other collective investment schemes managed by the Manager, the Investment Delegate or their connected persons) ("**cross trades**"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objective, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, the reasons for such cross trades are documented prior to execution, and the cross trades are disclosed to both clients. Further, for any cross trades between the Sub-Fund's accounts and the accounts of the Manager or its connected persons, they should only be undertaken with the prior written consent of the Trustee on behalf of the relevant Sub-Fund, provided that any actual or potential conflicts of interest in such cross trades have been disclosed.

CERTIFICATION FOR COMPLIANCE WITH FATCA OR OTHER APPLICABLE LAWS

Each investor (i) shall be required to, upon demand by the Trustee or the Manager, provide any form, certification or other information reasonably requested by and acceptable to the Trustee or the Manager that is necessary for the Fund or a Sub-Fund (A) to avoid withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Fund or the relevant Sub-Fund receives payments and/or (B) to satisfy due diligence, reporting or other obligations under the IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments

or when such form, certificate or other information is no longer accurate, and (iii) will otherwise comply with any reporting obligations imposed by the United States, Hong Kong or any other jurisdiction (including but not limited to any law, rule and requirement relating to AEOI), and such obligations that may be imposed by future legislation.

POWER TO DISCLOSE INFORMATION TO TAX AUTHORITIES

Subject to applicable laws and regulations in Hong Kong, the Fund, the relevant Sub-Fund, the Trustee or the Manager or any of their authorised person(s) (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the US IRS and the Inland Revenue Department of Hong Kong), certain information in relation to a Unitholder, including but not limited to the Unitholder's name, address, date of birth, tax residence, taxpayer identification number (if any), social security number (if any) and certain information relating to the Unitholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the Fund or the relevant Sub-Fund to comply with any applicable law (including any law, rule and requirement relating to FATCA and AEOI), regulation or any agreement with a tax authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to FATCA and AEOI)).

LIQUIDITY RISK MANAGEMENT

The Manager has established a liquidity risk management policy which enables it to identify, monitor and manage the liquidity risks of the Sub-Funds and to ensure that the liquidity profile of the investments of the Sub-Funds will facilitate compliance with the Sub-Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions.

The Manager's liquidity risk management policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency and the ability to enforce redemption limitations of the relevant Sub-Funds.

The liquidity risk management policy involves monitoring the profile of investments held by the Sub-Funds on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "**REALISATION OF UNITS**", and will facilitate compliance with the Sub-Fund's obligation to meet redemption requests. Further, the liquidity risk management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Sub-Funds under normal and exceptional market conditions.

The following tool(s) may be employed by the Manager to manage liquidity risks:

- the Manager may limit the number of Units redeemed on any Dealing Day to 10% of the total number of Units of the relevant Sub-Funds in issue (subject to the conditions under the heading entitled "Restrictions on realisation and conversion" in the section headed "**CONVERSION BETWEEN SUB-FUNDS**");

- subject to the restrictions in Schedule 1, the Manager may borrow in respect of a Sub-Fund to meet realisation requests;

- realisation of Units may be suspended under exceptional circumstances (after consultation with the Trustee) as set out under the heading entitled "**Suspension of Calculation of Net Asset Value**" in the section headed "**VALUATION**". During such period of suspension, Unitholders would not be able to realise their investments in the relevant Sub-Fund;

- in calculation of the issue price and the realisation price, adjustments including: fiscal charges adjustment and/or swing pricing may be made, in order to protect the interest of Unitholders. Please refer to the heading entitled "**Adjustment of Prices**" in the section headed "**VALUATION**" for details. As a result of such adjustment, the issue price and/or the realisation price (as the case may be) will be higher or lower than the issue price and/or the realisation price (as the case may be) which otherwise would be if such adjustment has not been made.

SCHEDULE I

INVESTMENT AND BORROWING RESTRICTIONS

1. Investment limitations applicable to each Sub-Fund

No holding of any security may be acquired for or added to a Sub-Fund which would result in and no cash deposits may be made which would result in:–

(a) the aggregate value of the Sub-Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following exceeding 10% of the latest available Net Asset Value of the relevant Sub-Fund:

(i) investments in securities issued by that entity;

(ii) exposure to that entity through underlying assets of financial derivative instruments; and

(iii) net counterparty exposure to that entity arising from transactions of over-the-counter financial derivative instruments.

For the avoidance of doubt, restrictions and limitations on counterparty as set out in sub-paragraphs 1(a), 1(b) and 3.4(c) of this Schedule I will not apply to financial derivative instruments that are:

(A) transacted on an exchange where the clearing house performs a central counterparty role; and

(B) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

The requirements under this sub-paragraph 1(a) will also apply in the case of sub-paragraphs 5(e) and (j) of this Schedule I.

(b) subject to sub-paragraphs 1(a) and 3.4(c) of this Schedule I, the aggregate value of the Sub-Fund's investments in, or exposure to, entities within the same group through the following exceeding 20% of the latest available Net Asset Value of the relevant Sub-Fund:

(i) investments in securities issued by those entities;

(ii) exposure to those entities through underlying assets of financial derivative instruments; and

(iii) net counterparty exposure to those entities arising from transactions of over-the-counter financial derivative instruments.

For the purposes of sub-paragraphs 1(b) and 1(c) of this Schedule I, "entities within the same group" means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognized accounting standards.

The requirements under this sub-paragraph 1(b) will also apply in the case of sub-paragraphs 5(e) and (j) of this Schedule I.

(c) the value of the Sub-Fund's cash deposits made with the same entity or entities within the same group exceeding 20% of the latest available Net Asset Value of the relevant Sub-Fund provided that the 20% limit may be exceeded in the following circumstances:

(i) cash held before the launch of the Sub-Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested; or

(ii) cash proceeds from liquidation of investments prior to the merger or termination of the Sub-Fund, whereby the placing of cash deposits with various financial institutions would not be in the best interests of investors; or

(iii) cash proceeds received from subscriptions pending investments and cash held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions would be unduly burdensome and the cash deposits arrangement would not compromise investors' interests.

For the purposes of this sub-paragraph 1(c), "cash deposits" generally refer to those that are repayable on demand or have the right to be withdrawn by the Sub-Fund and not referable to provision of property or services.

(d) the Sub-Fund's holding of any ordinary shares (and also when aggregated with all other Sub-Funds' holdings of such ordinary shares) exceeding 10% of any ordinary shares issued by any single entity.

(e) the value of the Sub-Fund's investment in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a securities market, exceeding 15% of the latest available Net Asset Value of such Sub-Fund.

(f) the value of the Sub-Fund's total holding of Government and other public securities of the same issue exceeding 30% of the latest available Net Asset Value of such Sub-Fund (subject to the foregoing statement, the Sub-Fund may invest all of its assets in Government and other public securities in at least six different issues). For the avoidance of doubt, Government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise.

(g) with respect to BEA Union Investment Asian Bond and Currency Fund and BEA Union Investment China A-Share Equity Fund, more than 10% of the Net Asset Value of the relevant Sub-Fund may consist of shares or units in other open ended unit trusts or mutual funds ("**managed funds**") other than interests in real estate investment trusts that are listed on a stock exchange ("**REITs**") provided that no investment may be made in a managed fund managed by the Manager or any of its connected persons if such investment would result in an increase in the overall total of the preliminary charge, manager's fee or other costs and charges borne by the Unitholders of the relevant Sub-Fund; and

(ga) with respect to all other Sub-Funds,

(i) the value of the Sub-Fund's investment in units or shares in other collective investment schemes (namely "**underlying schemes**") which are non-eligible schemes (the list of "eligible schemes" is as specified by the SFC from time to time) and not authorized by the SFC in aggregate exceeding 10% of its latest available Net Asset Value; and

(ii) the value of the Sub-Fund's investment in units or shares in each underlying scheme which is either an eligible scheme (the list of "eligible schemes" is as specified by the SFC from time to time) or a scheme authorized by the SFC exceeding 30% of its latest available Net Asset Value unless the underlying scheme is authorized by the SFC, and the name and key investment information of the underlying scheme are disclosed in the offering document of that Sub-Fund,

provided that:

(A) no investment may be made in any underlying scheme the investment objective of which is to invest primarily in any investment prohibited by Chapter 7 of the Code;

(B) where an underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation. For the avoidance of doubt, a Sub-Fund may invest in underlying scheme(s) authorized by the SFC under Chapter 8 of the Code (except for hedge funds under 8.7 of the Code), eligible scheme(s) of which the net derivative exposure does not exceed 100% of its total net asset value, and Qualified Exchange Traded Funds in compliance with sub-paragraph 1(g) or, as the case may be, sub-paragraph 1(ga)(i) and 1(ga)(ii) of this Schedule I;

(C) the underlying scheme's objective may not be to invest primarily in other collective investment scheme(s);

(D) all initial charges and realisation charges on the underlying scheme(s) must be waived if the underlying scheme is managed by the Manager or its connected persons; and

(E) the Manager or any person acting on behalf of the Sub-Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or its management company, or any quantifiable monetary benefits in connection with investments in any underlying scheme.

For the avoidance of doubt:

(aa) unless otherwise provided under the Code, the spread requirements under sub-paragraphs 1(a), (b), (d) and (e) of this Schedule I do not apply to investments in other collective investment schemes by a Sub-Fund;

(bb) unless otherwise disclosed in the Appendix of a Sub-Fund, the investment by a Sub-Fund in a Qualified Exchange Traded Fund may be considered and treated as listed securities for the purposes of and subject to the requirements in sub-paragraphs 1(a), (b) and (d) of this Schedule. Notwithstanding the aforesaid, the investments by a Sub-Fund in Qualified Exchange Traded Funds shall be subject to sub-paragraph 1(e) of this Schedule I and the relevant investment limits in Qualified Exchange Traded Funds by a Sub-Fund shall be consistently applied;

(cc) where investments are made in listed REITs, the requirements under sub-paragraphs 1(a), (b) and (d) of this Schedule I apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then the requirements under sub-paragraph 1(e) and sub-paragraph 1(g) or, as the case may be, sub-paragraph 1(ga)(i) of this Schedule I apply respectively; and

(dd) where a Sub-Fund invests in index-based financial derivative instruments, the underlying assets of such financial derivative instruments are not required to be aggregated for the purposes of the investment restrictions or limitations set out in sub-paragraphs 1(a), (b), (c) and (f) of this Schedule I provided that the index is in compliance with the requirements under 8.6(e) of the Code.

2. Investment prohibitions applicable to each Sub-Fund

The Manager shall not, unless otherwise specifically provided for in the Code, on behalf of any Sub-Fund:–

(a) invest in physical commodities unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary;

(b) invest in any type of real estate (including buildings) or interests in real estate (including any options or rights but excluding shares in real estate companies and interests in REITs);

(c) make short sales unless (i) the liability of the relevant Sub-Fund to deliver securities does not exceed 10% of its latest available Net Asset Value; (ii) the security which is to be sold short is actively traded on a securities market where short selling activity is permitted; and (iii) the short sales are carried out in accordance with all applicable laws and regulations;

(d) carry out any naked or uncovered short sale of securities;

(e) subject to sub-paragraph 1(e) of this Schedule I, lend, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person. For the avoidance of doubt, reverse repurchase transactions in compliance with the requirements as set out in sub-paragraphs 4.1 to 4.4 of this Schedule I are not subject to the limitations in this sub-paragraph 2(e);

(f) acquire any asset or engage in any transaction which involves the assumption of any liability by the relevant Sub-Fund which is unlimited. For the avoidance of doubt, the liability of Unitholders of a Sub-Fund is limited to their investments in that Sub-Fund;

(g) invest in any security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5%, or collectively they own more than 5%, of the total nominal amount of all the issued securities of that class;

(h) invest in any security where a call is to be made for any sum unpaid on that security, unless the call could be met in full out of cash or near cash from the Sub-Fund's portfolio whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transaction in financial derivative instruments for the purposes of sub-paragraphs 3.5 and 3.6 of this Schedule I.

3. Use of financial derivative instruments

3.1 A Sub-Fund may acquire financial derivative instruments for hedging purposes. For the purposes of this sub-paragraph 3.1, financial derivative instruments are generally considered as being acquired for hedging purposes if they meet all the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss or risks arising from the investments being hedged;

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned, with due consideration on the fees, expenses and costs, to enable the relevant Sub-Fund to meet its hedging objective in stressed or extreme market conditions.

3.2 A Sub-Fund may also acquire financial derivative instruments for non-hedging purposes ("**investment purposes**") subject to the limit that such Sub-Fund's net exposure relating to these financial derivative instruments ("**net derivative exposure**") does not exceed 50% of its latest available Net Asset Value. For the avoidance of doubt, financial derivative instruments acquired for hedging purposes under sub-paragraph 3.1 of this Schedule I will not be counted towards the 50% limit referred to in this sub-paragraph 3.2 so long as there is no residual derivative exposure arising from such hedging arrangement. Net derivative exposure shall be calculated in accordance with the Code and the requirements and guidance issued by the SFC which may be updated from time to time.

3.3 Subject to sub-paragraphs 3.2 and 3.4 of this Schedule I, a Sub-Fund may invest in financial derivative instruments provided that the exposure to the underlying assets of the financial derivative instruments, together with the other investments of the Sub-Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets and investments as set out in sub-paragraphs 1(a), (b), (c), (f) and (g) or, as the case may be, sub-paragraphs 1(ga)(i) and 1(ga)(ii), provisos (A) to (C) and (cc) of sub-paragraphs 1(g) and 1(ga) and sub-paragraph 2(b) of this Schedule I.

3.4 The financial derivative instruments invested by a Sub-Fund shall be either listed/quoted on a stock exchange or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other public securities, highly-liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies, or other asset classes acceptable to the SFC, in which the Sub-Fund may invest according to its investment objectives and policies;

(b) the counterparties to transactions of over-the-counter financial derivative instruments or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;

(c) subject to sub-paragraphs 1(a) and (b) of this Schedule I, a Sub-Fund's net counterparty exposure to a single entity arising from transactions of over-the-counter financial derivative instruments may not exceed 10% of its latest available Net Asset Value provided that the exposure of the relevant Sub-Fund to a counterparty of over-the-counter financial derivative instruments may be lowered by the collateral received (if applicable) by the Sub-Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter financial derivative instruments with that counterparty, if applicable; and

(d) the valuation of the financial derivative instruments is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the valuation agent, the Manager or the Trustee or their nominee(s), agent(s) or delegate(s) (as the case may be) independent of the issuer of the financial derivative instruments through such measures as may be established from time to time. The financial derivative instruments can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Sub-Fund's initiative. Further, the valuation agent should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the financial derivative instruments on a regular basis.

3.5 A Sub-Fund should at all times be capable of meeting all its payment and delivery obligations incurred under transactions in financial derivative instruments (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in financial derivative instruments in respect of a Sub-Fund are adequately covered on an ongoing basis. For the purposes of this sub-paragraph 3.5, assets that are used to cover the Sub-Fund's payment and delivery obligations incurred under transactions in financial derivative instruments shall be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a security, and cannot be applied for any other purposes.

3.6 Subject to sub-paragraph 3.5 of this Schedule I, a transaction in financial derivative instruments which gives rise to a future commitment or contingent commitment of a Sub-Fund shall be covered as follows:

(a) in the case of financial derivative instruments transactions which will, or may at the Sub-Fund's discretion, be cash settled, the Sub-Fund shall at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(b) in the case of financial derivative instruments transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Sub-Fund shall hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Sub-Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation provided further that the Sub-Fund shall apply safeguard measures such as to apply haircut where appropriate to ensure that such alternative assets held are sufficient to meet its future obligations.

3.7 The requirements under sub-paragraphs 3.1 to 3.6 of this Schedule I shall apply to embedded financial derivative. For the purposes of this Explanatory Memorandum, an "embedded financial derivative" is a financial derivative instrument that is embedded in another security.

4. Securities financing transactions

4.1 A Sub-Fund may engage in securities financing transactions, provided that they are in the best interests of Unitholders of such Sub-Fund to do so and the associated risks have been properly mitigated and addressed, and provided further that the counterparties to the securities financing transactions are financial institutions which are subject to ongoing prudential regulation and supervision.

4.2 A Sub-Fund shall have at least 100% collateralization in respect of the securities financing transaction(s) into which it enters to ensure there is no uncollateralized counterparty risk exposure arising from these transactions.

4.3 All the revenues arising from securities financing transactions, net of direct and indirect expenses as reasonable and normal compensation for the services rendered in the context of the securities financing transactions, shall be returned to the Sub-Fund.

4.4 A Sub-Fund shall only enter into a securities financing transaction if the terms of such securities financing transaction include the power for the Sub-Fund at any time to recall the securities or the full amount of cash (as the case may be) subject to the securities financing transaction or terminate the securities financing transaction(s) into which it has entered.

5. Collateral

In order to limit the exposure to each counterparty as set out in sub-paragraphs 3.4(c) and 4.2 of this Schedule I, a Sub-Fund may receive collateral from such counterparty, provided that the collateral complies with the requirements set out below:

(a) Liquidity – the collateral is sufficiently liquid and tradable in order that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing;

(b) Valuation – the collateral is marked-to-market daily by using independent pricing source that is independent of the counterparty;

(c) Credit quality – the collateral is of high credit quality provided that, in the event the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral, such collateral shall be replaced immediately;

(d) Haircut – the collateral is subject to a prudent haircut policy;

(e) Diversification – the collateral is appropriately diversified so as to avoid concentrated exposure to any single entity and/or entities within the same group. A Sub-Fund's exposure to the issuer(s) of the collateral should be taken into account in compliance with the investment restrictions and limitations set out in sub-paragraphs 1(a), 1(b), 1(c), 1(f) and 1(g) or, as the case may be, sub-paragraphs 1(ga)(i) and 1(ga)(ii) and provisos (A) to (C) of sub-paragraphs 1(g) and 1(ga) and sub-paragraph 2(b) of this Schedule I;

(f) Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions in such a way that would undermine the effectiveness of the collateral. For this purpose, securities issued by the counterparty or the issuer of the financial derivative instruments, or the counterparty of securities financing transactions or any of their related entities should not be used as collateral;

(g) Management of operational and legal risks – the Manager has appropriate systems, operational capabilities and legal expertise for proper collateral management;

(h) Independent custody – the collateral is held by the Trustee or by duly appointed nominee, agent or delegate;

(i) Enforceability – the collateral is readily accessible or enforceable by the Trustee without further recourse to the issuer of the financial derivative instruments, or the counterparty of the securities financing transactions;

(j) Re-investment of collateral – any re-investment of collateral received for the account of the Sub-Fund shall be subject to the following requirements:

  (i) cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorized under 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code. For this purpose, money market instruments refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments must be taken into account;

  (ii) non-cash collateral received may not be sold, re-invested or pledged;

  (iii) the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in 8.2(f) and 8.2(n) of the Code;

  (iv) cash collateral received is not allowed to be further engaged in any securities financing transactions;

  (v) when the cash collateral received is reinvested into other investments, such investment(s) is/are not allowed to be engaged in any securities financing transactions;

(k) the collateral is free of prior encumbrances; and

(l) the collateral generally does not include (i) structured products whose payouts rely on embedded financial derivatives or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitized products; or (iv) unlisted collective investment schemes.

Further details relating to the collateral policy of the Fund and/or Sub-Funds are disclosed in Schedule II.

6. Borrowing and Leverage

The expected maximum level of leverage of each Sub-Fund is as follows:

Cash borrowing

6.1 No borrowing shall be made in respect of a Sub-Fund which would result in the principal amount for the time being of all borrowings made for the account of the relevant Sub-Fund exceeding an amount equal to 10% of the latest available Net Asset Value of the relevant Sub-Fund provided always that back-to-back loans do not count as borrowing. For the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements as set out in sub-paragraphs 4.1 to 4.4 of this Schedule I are not borrowings for the purpose of, and are not subject to the limitations in this sub-paragraph 6.1.

Leverage from the use of financial derivative instruments

6.2 A Sub-Fund may also be leveraged through the use of financial derivative instruments and its expected maximum level of leverage through the use of financial derivative instruments (i.e. expected maximum net derivative exposure) is set out in the relevant Appendix.

6.3 In calculating the net derivative exposure, derivatives acquired for investment purposes that would generate incremental leverage at the portfolio level of the relevant Sub-Fund are converted into their equivalent positions in their underlying assets. The net derivative exposure is calculated in accordance with the requirements and guidance by the SFC which may be updated from time to time.

6.4 The actual level of leverage may be higher than such expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

7. Name of Sub-Fund

7.1 If the name of a Sub-Fund indicates a particular objective, investment strategy, geographic region or market, the Sub-Fund must, under normal market circumstances, invest at least 70% of its Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Sub-Fund represents.

SCHEDULE II

COLLATERAL VALUATION AND MANAGEMENT POLICY

The Manager employs a collateral management policy in relation to collateral received in respect of OTC financial derivative transactions entered into in respect of a Sub-Fund.

A Sub-Fund may receive collateral from a counterparty to an OTC derivative transaction in order to reduce its counterparty risk exposure, subject to the investment restrictions and requirements applicable to collateral under Schedule I.

Nature and quality of the collateral

A Sub-Fund may receive cash collateral from a counterparty. Cash collateral may include cash, cash equivalents and money market instruments.

Criteria for selecting counterparties

The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of OTC derivative transactions which shall include amongst other considerations, fundamental creditworthiness (e.g. financial strength) and commercial reputation of specific legal entities in conjunction with the nature and structure of proposed trading activities, external credit ratings of the counterparty, the regulatory supervision applied to the relevant counterparty, country or region of origin of the counterparty and legal status of the counterparty.

The counterparties of OTC derivative transactions will be entities with legal personality typically located in OECD jurisdictions (but may also be located outside such jurisdictions), and be subject to ongoing supervision by a regulatory authority.

The counterparty to an OTC derivative transaction must have a minimum credit rating of A3 by Moody's or A- by Standard and Poor's or equivalent. The Trustee must be satisfied as to the financial standing of the relevant counterparty.

Valuation of collateral

The collateral received is valued daily by an independent pricing source from the counterparty on a mark-to market basis.

Enforceability of collateral

Collateral (subject to any net-off or set-off, if applicable) is capable of being fully enforced by the Manager/Sub-Fund at any time without further recourse to the counterparty.

Haircut policy

A documented haircut policy is in place for detailing the policy in respect of each class of assets received by a Sub-Fund in order to reduce exposure to counterparties. A haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. The haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the relevant Sub-Fund. Haircuts will be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets. The haircut policy takes account of the price volatility of the asset used as collateral and other specific characteristics of the collateral, including, among others, asset types, issuer creditworthiness, residual maturity, price sensitivity, optionality, expected liquidity in stressed period, impact from foreign exchange, and correlation between securities accepted as collateral and the securities involved in the transactions.

Further details of the applicable haircut arrangement for each asset class can be available from the Manager upon request.

Diversification and correlation of collateral

Collateral must be sufficiently diversified. The exposures of a Sub-Fund to the collateral issuers are monitored in accordance with the relevant restrictions on exposure to a single entity and/or entities within the same group as set out in in Schedule I.

Collateral received must be issued by an entity that is independent from the relevant counterparty.

Cash collateral reinvestment policy

A Sub-Fund shall not sell, pledge or re-invest any non-cash collateral received by it.

Subject to the applicable restrictions in respect of collateral in Schedule I, cash collateral received by a Sub-Fund may be reinvested in short-term deposits, high quality money market instruments and money market funds authorized under 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC.

Up to 100% of the cash collateral received by a Sub-Fund may be reinvested.

Safe-keeping of collateral

Any non-cash assets received by a Sub-Fund from a counterparty on a title transfer basis should be held by the Trustee or its agent, nominee, custodian or sub-custodian. This is not applicable in the event that there is no title transfer in which case the collateral will be held by a third party custodian which is unrelated to the provider of the collateral.

A description of collateral holdings of each Sub-Fund will be disclosed in its interim and annual reports as required under Appendix E of the Code.

Assets provided by a Sub-Fund on a title transfer basis shall no longer belong to the Sub-Fund. The counterparty may use those assets at its absolute discretion. Assets provided to a counterparty other than on a title transfer basis shall be held by the Trustee or its agent, nominee, custodian or sub-custodian.

APPENDIX I

BEA UNION INVESTMENT ASIAN BOND AND CURRENCY FUND

Introduction

The BEA Union Investment Asian Bond and Currency Fund invests its assets primarily in debt securities issued by Asian issuers and denominated in Asian or other currencies.

Units of each unit class in the BEA Union Investment Asian Bond and Currency Fund will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asian Bond and Currency Fund will be such date or period as may be determined by the Manager.

Following the Launch Period, Units are available for issue on each Dealing Day at the prevailing offer price. The Manager may issue additional unit classes at such issue price as the Manager shall determine.

The base currency of the BEA Union Investment Asian Bond and Currency Fund is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment Asian Bond and Currency Fund is to seek regular interest income, capital gains and currency appreciation from an actively managed portfolio primarily investing in Asian debt securities.

The Sub-Fund aims to provide regular interest income, capital gains and currency appreciation from an actively managed portfolio primarily (i.e. at least 70% of its Net Asset Value) investing in debt securities denominated in Asian or other currencies and primarily issued by Asian government or corporate entities. The debt securities as described above are hereinafter referred to as "Debt Securities". For the remaining assets, the Manager may at its discretion invest outside Sub-Fund's principal geographies, market sectors, industries or asset classes.

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 also include asset-backed securities and mortgage-backed securities (in aggregate of not more than 20% of the Sub-Fund's Net Asset Value), as well as money market funds and fixed income funds for purposes consistent with the investment objective of the Sub-Fund.

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 or non-rated Debt Securities that meet the standards as determined by the Manager.

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 may invest substantially in debt securities related to China.

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 consider the credit rating of the 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, it will be classified as non-rated.

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 Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction 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.

Please refer to the section headed "**Risks Factors**" in the main part of the Explanatory Memorandum for the general risks and the "**Risk Factors**" sub-section in this Appendix for the specific risks relating to investment in the BEA Union Investment Asian Bond and Currency Fund.

Available Classes and Currency Denomination

Class A (Accumulating), Class A EUR (Accumulating), Class A JPY (Accumulating), Class A RMB (Accumulating), Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), Class A (Distributing), Class A EUR (Distributing), Class A JPY (Distributing), Class A RMB (Distributing), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing), Class A RMB (Hedged) (Distributing), Class H (Accumulating), Class H (Distributing), Class I (Accumulating), Class I EUR (Accumulating), Class I JPY (Accumulating), Class I RMB (Accumulating) and Class I (Distributing) Units are currently available for issue to investors.

References to Class A Units include Class A (Accumulating) and Class A (Distributing) Units; references to Class A EUR Units include Class A EUR (Accumulating) and Class A EUR (Distributing); references to Class A JPY Units include Class A JPY (Accumulating) and Class A JPY (Distributing); references to Class A RMB Units include Class A RMB (Accumulating) and Class A RMB (Distributing) Units; references to Class A (Hedged) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units; references to Class A (Hedged) (Accumulating) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating) Units; references to Class A (Hedged) (Distributing) Units include Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units; references to Class H Units include Class H (Accumulating) and Class H (Distributing) Units and references to Class I Units include Class I (Accumulating), Class I EUR (Accumulating), Class I JPY (Accumulating), Class I RMB (Accumulating) and Class I (Distributing) Units.

Subscription Details

Launch Period	The Launch Period of each unit class will be such date or period as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A USD Units: US$10.00 per Unit Class A AUD (Hedged) (Accumulating) and Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A CAD (Hedged) (Accumulating) and Class A CAD (Hedged) (Distributing) Units: C$10.00 per Unit Class A EUR, Class A EUR (Hedged) (Accumulating) and Class A EUR (Hedged) (Distributing) Units: €10.00 per Unit

	Class A GBP (Hedged) (Accumulating) and Class A GBP (Hedged) (Distributing) Units: £10.00 per Unit Class A JPY, Class A JPY (Hedged) (Accumulating) and Class A JPY (Hedged) (Distributing) Units: ¥1,000 per Unit Class A NZD (Hedged) (Accumulating) and Class A NZD (Hedged) (Distributing) Units: NZ$10.00 per Unit Class A RMB, Class A RMB (Hedged) (Accumulating) and Class A RMB (Hedged) (Distributing) Units: RMB100.00 per Unit Class H Units: HK$10.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period: at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Investment Amount	For Class A Units: US$2,000 For Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) For Class H Units: HK$10,000 For Class I Units: US$5,000,000 (or its equivalent)
Minimum Subsequent Investments Amounts	For Class A Units: US$1,000 For Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$1,000 (or its equivalent) For Class H Units: HK$5,000 For Class I Units: Not applicable
Minimum Holding	For Class A Units: US$2,000 For Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) For Class H Units: HK$10,000 For Class I Units: US$5,000,000 (or its equivalent)

For details regarding the procedure for subscriptions, see the main part of the Explanatory Memorandum under "**Purchase of Units**".

Fees

Preliminary Charge (% of issue price)	Class A, Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: up to 5% Class H Units: up to 5% Class I Units: Nil
Realisation Charge (% of realisation price)	Class A, Class A EUR, Class A JPY, Class A RMB, Class A (Hedged) and Class H Units: 0.5%, but currently waived. *Class I Units: 0.5% if such Class I Units are held for less than 1 year, otherwise nil *For the purpose of determining the realisation charge payable on Class I Units, Units subscribed earlier in time will be deemed to be realised prior to Units subscribed later in time.*
Conversion Charge (% of issue price of new Units)	All classes: Up to 2.0%

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Fund. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Management Fee (% Net Asset Value of the BEA Union Investment Asian Bond and Currency Fund)	Class A, Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: 1.20% p.a. Class H Units: 1.20% p.a. Class I Units: 0.70% p.a.
Trustee Fee (% Net Asset Value of the BEA Union Investment Asian Bond and Currency Fund)	Current fee payable for all Classes: 0.125% p.a.
Registrar's Fee (% Net Asset Value of the BEA Union Investment Asian Bond and Currency Fund)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% Net Asset Value of BEA Union Investment Asian Bond and Currency Fund)	All Units: Nil
Distribution policy	*Class A (Accumulating), Class A EUR (Accumulating), Class A JPY (Accumulating), Class A RMB (Accumulating), Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), Class H (Accumulating) and Class I (Accumulating) Units: no distributions *Class A (Distributing), Class A EUR (Distributing), Class A JPY (Distributing), Class A RMB (Distributing), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing), Class A RMB (Hedged) (Distributing), Class H (Distributing) and Class I (Distributing) Units: income and/or capital may be distributed **For details please refer to the sub-section headed **"Distributions"** below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asian Bond and Currency Fund and initial issue of Class A and Class I Units amounted to approximately HK$230,000 and the costs of establishment of Class H Units amounted to approximately HK$65,000 and were borne by the BEA Union Investment Asian Bond and Currency Fund and deducted during the course of the first year following its launch and launch of the Units.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing), Class A EUR (Distributing), Class A JPY (Distributing), Class A RMB (Distributing), Class A (Hedged) (Distributing), Class H (Distributing) and Class I (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such in Units. In respect of each Accounting Period, it is the Manager's intention to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager upon request and at the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under "**Risk Factors**" below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

Any income earned for Class A (Accumulating), Class A EUR (Accumulating), Class A JPY (Accumulating), Class A RMB (Accumulating), Class A (Hedged) (Accumulating), Class H (Accumulating) and Class I (Accumulating) Units will not be distributed and will be accumulated and capitalised.

For Class A (Distributing), Class A EUR (Distributing), Class A JPY (Distributing), Class A RMB (Distributing), Class A (Hedged) (Distributing), Class H (Distributing) and Class I (Distributing) Units, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**").

For Class A RMB (Distributing) and Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following an Interim Accounting Period or an Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Date. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Valuation

Valuation Days for the BEA Union Investment Asian Bond and Currency Fund are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the fourth Dealing Day following the Launch Period.

Risk Factors

Investment risk

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency risk

The Sub-Fund is subject to the currency risk. Please refer to the risk factor "Currency risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with debt securities

The Sub-Fund is subject to the risks associated with debt securities. Please refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Downgrading risk", "Below investment grade and non-rated securities", "Credit/Counterparty risk", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Risks of investing in convertible bonds" and "Risks associated with debt instruments with loss-absorption features" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/emerging markets

As the Sub-Fund will invest in debt securities issued by Asian issuers and denominated in Asian currencies, and may have substantial exposure related to China, the Sub-Fund is also subject to, among others, concentration risk and emerging markets risk in Asia. 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 economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event adversely affecting the Asian and/or China market. Please also refer to the risk factors "Emerging markets" and "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Distribution risk

In respect of each accounting period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return**.

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please also refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency hedging risk

The Sub-Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Where the Sub-Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum.

The BEA Union Investment Asian Bond and Currency Fund, due to its possible exposure to below investment grade debt securities, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asian Bond and Currency Fund as a medium to high risk investment.

APPENDIX II

BEA UNION INVESTMENT CHINA A-SHARE EQUITY FUND

Introduction

The BEA Union Investment China A-Share Equity Fund invests its assets primarily in a diversified portfolio of marketable equity securities including China A-Shares that have an exposure to China.

Units of each unit class in the BEA Union Investment China A-Share Equity Fund will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in BEA Union Investment China A-Share Equity Fund will be such date or period as may be determined by the Manager.

Following the Launch Period, Units are available for issue on each Dealing Day at the prevailing offer price. The Manager may issue additional unit classes at such issue price as the Manager shall determine.

The base currency of the BEA Union Investment China A-Share Equity Fund is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment China A-Share Equity Fund ("Sub-Fund") is to seek long-term capital growth by investing primarily in a diversified portfolio of securities of companies which have their principal place of business or key assets located in China or which derive a substantial part of their revenue from China.

The Sub-Fund will invest at least 70% of its Net Asset Value in China A-Shares listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange ("Equity Securities"), and not more than 30% of its Net Asset Value in Renminbi denominated government and corporate bonds ("RMB Bonds"), China B-Shares, China H-Shares, securities investment funds or collective investment schemes, warrants listed and traded on a stock exchange, initial public offerings, money market instruments and cash or cash equivalents in accordance with applicable investment restrictions. Equity Securities may be listed on main boards, ChiNext market and/or the Science and Technology Innovation board of the respective stock exchanges in Mainland. Currently it is intended that the Sub-Fund will obtain exposure to Equity Securities and RMB Bonds primarily through the QI status of the Manager. In addition, the Sub-Fund may have direct exposure to certain eligible China A-Shares via the Stock Connects (as further described in Annex A of the Explanatory Memorandum) or other similar programs as approved by the relevant regulators from time to time.

The securities that may be invested by the Sub-Fund will be primarily equity securities and equity linked securities, including common stocks, preferred stocks, warrants, including but not limited to China A-Shares. The Sub-Fund may invest in equity securities of companies of any industry and any market capitalisation. The Sub-Fund may also invest up to 10% of its Net Asset Value in equity funds (in compliance with 7.11 to 7.11D of the 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. In seeking to achieve its investment objective, the Sub-Fund will focus on active management by stock selection, timing, management of exposure and sector allocation.

The Sub-Fund will not invest in any urban investment bonds (城投債), bonds which are rated A+ or below designated by Mainland China credit agencies or unrated bonds, or asset backed securities (including asset backed commercial papers).

The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction on behalf of the Sub-Fund.

The Manager has obtained the qualified investor ("**QI**") status. BEA Union Investment China A-Share Equity Fund intends to obtain access to China A-Shares and other permissible securities ("**QI securities**") through the QI status of the Manager.

The Manager in its capacity as a QI has appointed Industrial and Commercial Bank of China Limited as the custodian in respect of the QI securities. The Manager will assume dual roles as the manager of BEA Union Investment China A-Share Equity Fund and the holder of QI status for the Sub-Fund. The Manager will be responsible for ensuring that all transactions and dealings will be dealt with having regard to the constitutive documents of the Sub-Fund as well as the relevant laws and regulations applicable to the Manager as a QI. If any conflicts of interest arise, the Manager will have regard in such event to its obligations to the Sub-Fund and will endeavour to ensure that such conflicts are resolved fairly.

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.

Please refer to the section headed "**Risks Factors**" in the main part of the Explanatory Memorandum for the general risks and the "**Risk Factors**" sub-section in this Appendix for the specific risks relating to investment in the BEA Union Investment China A-Share Equity Fund.

Available Classes

Class A, Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged), Class A NZD (Hedged), Class I and Class P Units are currently available for issue to investors.

References to Class A (Hedged) Units include Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged) and Class A NZD (Hedged) Units.

Subscription Details

Launch Period	The Launch Period of each unit class will be such date or period as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: For Class A, I and P Units: US$10.00 per Unit Class A AUD (Hedged) Units: AU$10.00 per Unit Class A CAD (Hedged) Units: C$10.00 per Unit Class A GBP (Hedged) Units: £10.00 per Unit Class A NZD (Hedged) Units: NZ$10.00 per Unit Following the Launch Period: at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Investment Amount	For Class A Units: US$2,000 For Class A (Hedged) Units: US$2,000 (or its equivalent) For Class I Units: US$1,000,000 For Class P Units: US$250,000
Minimum Subsequent Investments Amounts	For Class A Units: US$1,000 For Class A (Hedged) Units: US$1,000 (or its equivalent) For Class I Units: US$500,000 For Class P Units: US$125,000
Minimum Holding	For Class A Units: US$2,000 For Class A (Hedged) Units: US$2,000 (or its equivalent) For Class I Units: US$1,000,000 For Class P Units: US$250,000
Minimum Redemption Amount	For Class A Units: Not applicable For Class A (Hedged) Units: Not applicable For Class I Units: US$500,000 For Class P Units: US$125,000

For details regarding the procedure for the subscriptions, see the main part of the Explanatory Memorandum under "**Purchase of Units**".

Fees

Preliminary Charge (% of issue price)	Class A and Class A (Hedged) Units: up to 5% Class I Units: Nil Class P Units: up to 5%
Realisation Charge (% of realisation price)	Class A and Class A (Hedged) Units: 0.5%; but currently waived Class I and Class P Units: Nil
Conversion Charge (% of issue price of new Units)	All classes: Up to 2.0%

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Fund. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "VALUATION" in the main part of the Explanatory Memorandum.

Management Fee (% Net Asset Value of the BEA Union Investment China A-Share Equity Fund)	Class A, Class A (Hedged) and Class P Units: 1.75% p.a. Class I Units: 1.5% p.a.
Trustee Fee (% Net Asset Value of the BEA Union Investment China A-Share Equity Fund)	Current fee payable for all Classes: 0.175% p.a.
Registrar's Fee (% Net Asset Value of the BEA Union Investment China A-Share Equity Fund)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% Net Asset Value of BEA Union Investment China A-Share Equity Fund)	All Classes: Nil

Establishment Costs

The costs of establishment of the BEA Union Investment China A-Share Equity Fund amounted to approximately HK$1.37 million and were borne by the BEA Union Investment China A-Share Equity Fund and deducted during the course of the three financial years following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day. If such day is not a day on which banks in Hong Kong and in Mainland China are open for normal banking business ("**HK & Mainland China Business Day**"), the immediately following HK & Mainland China Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Conversion of Units

If the conversion instruction to convert from the Existing Units of the BEA Union Investment China A-Share Equity Fund is received on a day which is not a Dealing Day of the BEA Union Investment China A-Share Equity Fund, the conversion (for both Existing Units and New Units) will be effected on the next Dealing Day of the BEA Union Investment China A-Share Equity Fund. If the conversion instruction to convert into New Units of the BEA Union Investment China A-Share Equity Fund is received on a day which is a Dealing Day for units to be converted from but not a Dealing Day of the BEA Union Investment China A-Share Equity Fund, the conversion of Existing Units will be effected on the Dealing Day on which the instruction is received and the purchase of New Units will be effected on the next Dealing Day of the BEA Union Investment China A-Share Equity Fund.

Distributions

Income, if any, and net capital gains, if any, in respect of the BEA Union Investment China A-Share Equity Fund shall be accumulated and capitalised and no distributions will be made.

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

The Manager currently intends to make provisions for any Mainland China taxes payable by the Sub-Fund on dividends derived from onshore Equity Securities (including China A-Shares acquired through the Stock Connects), at a rate of 10% (or as otherwise advised by the Sub-Fund's tax adviser), if the relevant WIT is not withheld at source. Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, any sums withheld in excess of the tax liability incurred or which is expected to be incurred by the Sub-Fund shall be released and transferred to the Sub-Fund's accounts forming part of the Sub-Fund's assets.

Valuation

Valuation Days for the BEA Union Investment China A-Share Equity Fund are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risk

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with equity securities

Investors should be aware that the BEA Union Investment China A-Share Equity Fund invests directly in equities which are subject to the risks generally associated with equity investment, namely, the market value of the stocks may go down as well as up. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment and the business and social conditions in China. Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the BEA Union Investment China A-Share Equity Fund to losses. Please refer to the risk factors "Market risk", "Risks associated with the Stock Connects", "Risks associated with ChiNext market and/or Science and Technology Innovation board" and "Risk associated with small-capitalisation/mid-capitalisation companies" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/China market risk

As the BEA Union Investment China A-Share Equity Fund invests primarily in China, it is subject to country risks. Although its portfolio will be well diversified in terms of the number of holdings, investors should be aware that the BEA Union Investment China A-Share Equity Fund is likely to be more volatile than a broad-based fund, such as an ordinary global or regional equity fund, as it is more susceptible to fluctuations in value resulting from adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory conditions in China. Please also refer to the risk factor "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund

may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency risk

The BEA Union Investment China A-Share Equity Fund is also subject to currency risk. Please refer to the risk factor "Currency risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

QI risk

The Sub-Fund is also subject to QI risk. Please also refer to the risk factors "QI risk" and "Custodial risk and brokerage risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Mainland China tax considerations

With uncertainties under the applicable Mainland China tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet final Mainland China tax liabilities on gains derived from PRC Securities. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Sub-Fund's assets, the Sub-Fund's asset value will be adversely affected. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such gains will be taxed, the level of provision and when they subscribed and/or redeemed their Units in/from the relevant Sub-Fund. Please refer to the risk factor "Mainland China tax considerations" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency hedging risk

The BEA Union Investment China A-Share Equity Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Where the Sub-Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

For further details relating to the above, please refer to the section headed "**Risk Factors**".

The BEA Union Investment China A-Share Equity Fund, due to its high exposure to equities in China, has a high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment China A-Share Equity Fund as a high risk investment.

APPENDIX III

BEA UNION INVESTMENT ASIA PACIFIC MULTI INCOME FUND

Introduction

The BEA Union Investment Asia Pacific Multi Income Fund invests primarily in a diversified portfolio of debt securities, listed real estate investment trusts ("**REITs**") and other listed securities that are issued or traded in the Asia Pacific region or that have significant operations in the Asia Pacific region.

Units of each unit class in the BEA Union Investment Asia Pacific Multi Income Fund will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asia Pacific Multi Income Fund will be such date or period as may be determined by the Manager.

Following the Launch Period, Units are available for issue on each Dealing Day at the prevailing offer price. The Manager may issue additional unit classes at such issue price as the Manager shall determine.

The base currency of the BEA Union Investment Asia Pacific Multi Income Fund is USD.

Investment Objective and Policy

The investment objective of the BEA Union Investment Asia Pacific Multi Income Fund is to seek income and long-term capital growth through investing in an actively managed portfolio of debt securities, listed REITs and other listed securities including equities and managed funds, that are issued or traded in the Asia Pacific region or which have significant operations in, or derive or are expected to derive a significant portion of their revenues from, the Asia Pacific region. The debt securities and other listed securities as described above, which may be denominated in USD or other currencies including Asian currencies, are hereinafter referred to as "Debt Securities" and "Other Listed Securities", respectively.

The BEA Union Investment Asia Pacific Multi Income Fund will invest primarily in Debt Securities, listed REITs and Other Listed Securities that generally offer distribution income. The BEA Union Investment Asia Pacific Multi Income Fund may invest up to 90% of its Net Asset Value in Debt Securities, and less than 70% of its Net Asset Value in listed REITs and Other Listed Securities. The Asia Pacific region includes emerging market countries as well as developed countries. The BEA Union Investment Asia Pacific Multi Income Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in any one country or region in the Asia Pacific region, and may have substantial exposure related to China.

The Sub-Fund may invest in Other Listed Securities of companies of any industry and any market capitalisation. The asset allocation of the BEA Union Investment Asia Pacific Multi Income Fund will change according to the Manager's views of fundamental economic and market conditions and investment trends across the globe, taking into consideration factors such as liquidity, costs and relative attractiveness of individual securities in the market.

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 also include asset-backed securities and mortgage-backed securities (in aggregate of not more than 20% of the Sub-Fund's Net Asset Value).

Debt Securities in which the Sub-Fund will invest will not be subject to any duration or minimum credit rating requirements. The BEA Union Investment Asia Pacific Multi Income 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 recognized rating agencies) as well as below investment grade debt securities, and non-rated debt securities that meet the standards as determined by the Manager. The Sub-Fund's investment in below investment grade and non-rated Debt Securities in aggregate is expected to be less than 50% of its Net Asset Value.

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 BEA Union Investment Asia Pacific Multi Income 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) 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 BEA Union Investment Asia Pacific Multi Income Fund will not invest in any structured deposits or products. The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction 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.

Please refer to the section headed "**Risks Factors**" in the main part of the Explanatory Memorandum for the general risks and the "**Risk Factors**" sub-section in this Appendix for the specific risks relating to investment in the BEA Union Investment Asia Pacific Multi Income Fund.

Available Classes and Currency Denomination

The classes of Units available for issue and their class currency are as follows:

USD	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
HKD	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
EUR	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
JPY	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
RMB	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
AUD (Hedged)	
Class A AUD (Hedged) (Accumulating)	Class A AUD (Hedged) (Distributing)

CAD (Hedged)

Class A CAD (Hedged) (Accumulating)	Class A CAD (Hedged) (Distributing)

EUR (Hedged)

Class A EUR (Hedged) (Accumulating)	Class A EUR (Hedged) (Distributing)

GBP (Hedged)

Class A GBP (Hedged) (Accumulating)	Class A GBP (Hedged) (Distributing)

JPY (Hedged)

Class A JPY (Hedged) (Accumulating)	Class A JPY (Hedged) (Distributing)

NZD (Hedged)

Class A NZD (Hedged) (Accumulating)	Class A NZD (Hedged) (Distributing)

RMB (Hedged)

Class A RMB (Hedged) (Accumulating)	Class A RMB (Hedged) (Distributing)

References to Class A Units include Class A (Accumulating) and Class A (Distributing) Units; references to Class A EUR Units include Class A EUR (Accumulating) and Class A EUR (Distributing) Units; references to Class A JPY Units include Class A JPY (Accumulating) and Class A JPY (Distributing) Units; references to Class A RMB Units include Class A RMB (Accumulating) and Class A RMB (Distributing) Units; and references to Class I Units include Class I (Accumulating) Units.

References to Class A (Hedged) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units.

References to Class A (Hedged) (Accumulating) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating) Units; references to Class A (Hedged) (Distributing) Units include Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as maybe determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A: USD Units: US$10.00 per Unit Class A: HKD Units: HK$100.00 per Unit Class A AUD (Hedged) (Accumulating), Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A CAD (Hedged) (Accumulating), Class A CAD (Hedged) (Distributing) Units: C$10.00 per Unit Class A EUR, Class A EUR (Hedged) (Accumulating), Class A EUR (Hedged) (Distributing) Units: €10.00 per Unit Class A GBP (Hedged) (Accumulating), Class A GBP (Hedged) (Distributing) Units: £10.00 per Unit Class A JPY, Class A JPY (Hedged) (Accumulating), Class A JPY (Hedged) (Distributing) Units: ¥1,000 per Unit Class A NZD (Hedged) (Accumulating), Class A NZD (Hedged) (Distributing) Units: NZ$10.00 per Unit Class A RMB, Class A RMB (Hedged) (Accumulating) and Class A RMB (Hedged) (Distributing) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period: at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Investment Amount	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: EUR, JPY and RMB Units: US$1,000,000 (or its equivalent)
Minimum Subsequent Investments Amounts	Class A: USD Units: US$1,000 Class A: HKD Units: HK$5,000 Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$1,000 (or its equivalent) Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: EUR, JPY and RMB Units: US$500,000 (or its equivalent)
Minimum Holding	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: EUR, JPY and RMB Units: US$1,000,000 (or its equivalent)
Minimum Redemption or Conversion Amount	Class A Units: Nil Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: Nil Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: EUR, JPY and RMB Units: US$500,000 (or its equivalent)

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedure for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	Class A, Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: up to 5% Class I Units: up to 3%

Realisation Charge (% of realisation price)	Class A, Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: 0.5%, but currently waived. *Class I Units: 0.5% if such Class I Units are held for less than 1 year, otherwise nil *For the purpose of determining the realisation charge payable on Class I Units, Units subscribed earlier in time will be deemed to be realised prior to Units subscribed later in time.*
Conversion Charge (% of issue price of new Units)	All classes: Up to 2.0%

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Fund. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Management Fee (% Net Asset Value of the BEA Union Investment Asia Pacific Multi Income Fund)	Class A, Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: 1.40% p.a. Class I Units: 0.80% p.a.
Trustee Fee (% Net Asset Value of the BEA Union Investment Asia Pacific Multi Income Fund)	Current fee payable for all Classes: 0.15% p.a.
Registrar's Fee (% Net Asset Value of the BEA Union Investment Asia Pacific Multi Income Fund)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% Net Asset Value of BEA Union Investment Asia Pacific Multi Income Fund)	All Classes: Nil
Distribution policy	*Class A (Accumulating), Class A EUR (Accumulating), Class A JPY (Accumulating), Class A RMB (Accumulating), Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating) and Class I (Accumulating) Units: no distributions *Class A (Distributing), Class A EUR (Distributing), Class A JPY (Distributing), Class A RMB (Distributing), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units: income and/or capital may be distributed **For details please refer to the sub-section headed "**Distributions**" below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asia Pacific Multi Income Fund amounted to approximately HK$250,000 and were borne by the BEA Union Investment Asia Pacific Multi Income Fund and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing) and Class A (Hedged) (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such Units. In respect of each Accounting Period, it is the Manager's intention to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager on request and also on the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital as described above and pay attention to the relevant risk disclosures as set out under "**Risk Factors**" below. The Manager may amend the distribution policy subject to the SFC's prior approval and by giving not less than one month's notice to investors.

Any income earned for Class A (Accumulating), and Class A (Hedged) (Accumulating) and Class I (Accumulating) Units will not be distributed and will be accumulated and capitalised.

For Class A (Distributing) and Class A (Hedged) (Distributing) Units, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**").

For Class A RMB (Distributing) and Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following an Interim Accounting Period or an Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Date. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Valuation

Valuation Days for the BEA Union Investment Asia Pacific Multi Income Fund are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risks

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with debt securities

The Sub-Fund is subject to the risks associated with debt securities. Please refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Downgrading risk", "Below investment grade and non-rated securities", "Credit/Counterparty risk", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Risks of investing in convertible bonds" and "Risks associated with debt instruments with loss-absorption features" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/Asia Pacific market risk

The Sub-Fund's investments are concentrated in the Asia Pacific region, which may have substantial exposure related to 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 economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event adversely affecting the markets in the Asia Pacific region and/or China.

Emerging markets risk/currency risk

As the BEA Union Investment Asia Pacific Multi Income Fund will invest in debt securities issued by Asian issuers and denominated in Asian currencies, the BEA Union Investment Asia Pacific Multi Income Fund is also subject to, among others, emerging markets risks and currency risks. Please also refer to the risk factors "Emerging markets" and "Currency risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with equity securities

As the BEA Union Investment Asia Pacific Multi Income Fund invests directly in listed REITs, equities and managed funds, the BEA Union Investment Asia Pacific Multi Income Fund is therefore subject to the risks generally associated with such asset classes. Factors affecting their prices are numerous, including but not limited to liquidity of the asset class, changes in investment sentiment, political environment, economic, business and social conditions in local and global marketplace. In addition, the securities invested by the BEA Union Investment Asia Pacific Multi Income Fund may not distribute the dividend at the level that the Manager expects, which affect the overall dividend distribution rate by the BEA Union Investment Asia Pacific Multi Income Fund. Investors should also note that any listed REITs invested by the BEA Union

Investment Asia Pacific Multi Income Fund may not necessarily be authorised by the SFC, and the distribution policy of the Sub-Fund is not representative of the distribution policy of such listed REITs.

Please also refer to the risk factors "Market risk" and "Risk associated with small-capitalisation/ mid-capitalisation" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks relating to REITs

The Sub-Fund will not invest in real property directly but the Sub-Fund may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) through its investment in REITs. Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate markets or other conditions. Adverse global economic conditions could adversely affect the business, financial condition and results of operations of REITs. REITs may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.

The prices of REITs are affected by changes in the value of the underlying property owned by the REITs. Investment in REITs may therefore subject the Sub-Fund to risks similar to those from direct ownership of real property. The prices of mortgage REITs are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Further, REITs are dependent upon management skills in managing the underlying properties and generally may not be diversified. In addition, certain "special purpose" REITs in which the Sub-Fund may invest may have their assets in specific real property sectors, such as hotel REITs, nursing home REITs or warehouse REITs, and are therefore subject to the risks associated with adverse developments in these sectors.

REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REITs or lessees of a property that a REITs owns may be unable to meet their obligations to the REITs. In the event of a default by a borrower or lessee, the REITs may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. On the other hand, if the key tenants experience a downturn in their businesses or their financial condition, they may fail to make timely rental payments or default under their leases. Tenants in a particular industry might also be affected by any adverse downturn in that industry and this may result in their failure to make timely rental payments or to default under the leases. The REITs may suffer losses as a result.

REITs may have limited financial resources and may be subject to borrowing limits. Consequently, REITs may need to rely on external sources of funding to expand their portfolios, which may not be available on commercially acceptable terms or at all. If a REIT cannot obtain capital from external sources, it may not be able to acquire properties when strategic opportunities exist.

Any due diligence exercise conducted by REITs on buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies. Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow of the REITs.

The Sub-Fund may invest in REITs which may not necessarily be authorised by the SFC.

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.

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.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Distribution risk

In respect of each accounting period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return**.

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency hedging risk

The BEA Union Investment Asia Pacific Multi Income Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Where the BEA Union Investment Asia Pacific Multi Income Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum.

The BEA Union Investment Asia Pacific Multi Income Fund, due to its possible exposure to below investment grade debt securities, listed REITs, and listed equities and managed funds, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asia Pacific Multi Income Fund as a medium to high risk investment.

APPENDIX IV

BEA UNION INVESTMENT CHINA HIGH YIELD INCOME FUND

Introduction

BEA Union Investment China High Yield Income Fund invests primarily in debt securities that are issued or guaranteed by Chinese entities or entities that have significant operations in or assets in, or derive significant portion of revenue or profits from China.

Units of each unit class in the BEA Union Investment China High Yield Income Fund will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment China High Yield Income Fund will be such date or period as may be determined by the Manager.

Following the Launch Period, Units are available for issue on each Dealing Day at the prevailing offer price. The Manager may issue additional unit classes at such issue price as the Manager shall determine.

The base currency of the BEA Union Investment China High Yield Income Fund is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment China High Yield Income Fund is to seek medium to long term capital growth and regular income by primarily investing in China high yield debt securities.

The Sub-Fund aims to provide medium to long term capital growth and regular income by primarily (i.e. at least 70% of its Net Asset Value) investing in high yield debt securities that are issued or guaranteed by entities which are incorporated in China or have significant operations in or assets in, or derive significant portion of revenue or profits from China. The debt securities as described above, which may be denominated in USD, RMB or other currencies, are hereinafter referred to as "Debt Securities". For the remaining assets, the Manager has the freedom to invest outside Sub-Fund's principal geographies, market sectors, industries or asset classes.

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 also include asset backed securities and mortgage-backed securities (in aggregate of no more than 20% 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) for purposes consistent with the investment objective of the Sub-Fund.

Debt Securities that the BEA Union Investment China High Yield Income Fund will invest in will not be subject to any duration or minimum credit rating requirements. The Sub-Fund will invest at least 70% of its Net Asset Value in high yield Debt Securities which are below investment grade (rated as Ba1 or below by Moody's Investor Services, Inc. or BB+ or below by Standard & Poor's Corporation or equivalent rating by other recognised rating agencies) or non-rated. The Sub-Fund may also invest in investment grade Debt Securities.

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 have no more than 20% aggregate exposure to onshore investments which may include no more than 20% of its assets in debt securities denominated in RMB and issued in Mainland China ("**Onshore Debt Securities**") through direct investment in the China interbank bond markets via Foreign Direct Access Regime and/or Bond Connect. Onshore Debt Securities that the BEA Union Investment China High Yield Income Fund will invest in will not be subject to any duration or minimum credit rating requirements. The Sub-Fund may invest in investment grade, below investment grade (rated as A+ or below by a Mainland China credit rating agency) and non-rated Onshore Debt Securities including high yield bonds that meet the standards as determined by the Manager.

The Sub-Fund may invest less than 30% of its assets in Debt Securities denominated in RMB and issued outside of Mainland China (i.e. "Dim Sum" bonds). The Sub-Fund will have less than 30% aggregate exposure to investments denominated in RMB including Onshore Debt Securities and Dim Sum bonds.

The BEA Union Investment China High Yield Income 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 consider the credit rating of the security, if the debt security is not rated by any recognised rating agencies, it will be classified as non-rated.

In normal market conditions, the BEA Union Investment China High Yield Income 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 Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction 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.

Please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum for the general risks and the "**Risk Factors**" sub-section of this Appendix for specific risks relating to investment in the BEA Union Investment China High Yield Income Fund.

Available Classes and Currency Denomination

The classes of Units available for issue and their class currency are as follows:

USD	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	Class I (Distributing)
Class P (Accumulating)	
HKD	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	Class I (Distributing)
RMB	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	Class I (Distributing)
Class P (Accumulating)	
AUD (Hedged)	
Class A AUD (Hedged) (Accumulating)	Class A AUD (Hedged) (Distributing)
CAD (Hedged)	
Class A CAD (Hedged) (Accumulating)	Class A CAD (Hedged) (Distributing)
EUR (Hedged)	
Class A EUR (Hedged) (Accumulating)	Class A EUR (Hedged) (Distributing)
GBP (Hedged)	
Class A GBP (Hedged) (Accumulating)	Class A GBP (Hedged) (Distributing)
NZD (Hedged)	
Class A NZD (Hedged) (Accumulating)	Class A NZD (Hedged) (Distributing)
RMB (Hedged)	
Class A RMB (Hedged) (Accumulating)	Class A RMB (Hedged) (Distributing)
Class P RMB (Hedge) (Accumulating)	

References to Class A Units include Class A (Accumulating) and Class A (Distributing) Units; references to Class A RMB Units include Class A RMB (Accumulating) and Class A RMB (Distributing) Units; and references to Class I Units include Class I (Accumulating) and Class I (Distributing) Units. References to Class P Units include Class P (Accumulating) Units.

References to Class A (Hedged) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units.

References to Class A (Accumulating) Units include Class A USD (Accumulating), Class A HKD (Accumulating) and Class A RMB (Accumulating) Units; and references to Class A (Distributing) Units include Class A USD (Distributing), Class A HKD (Distributing) and Class A RMB (Distributing) Units.

References to Class A (Hedged) (Accumulating) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating) Units; references to Class A (Hedged) (Distributing) Units include Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A: USD and Class P: USD Units: US$10.00 per Unit Class A: HKD Units: HK$100.00 per Unit Class A AUD (Hedged) (Accumulating) and Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A CAD (Hedged) (Accumulating) and Class A CAD (Hedged) (Distributing) Units: C$10.00 per Unit Class A EUR (Hedged) (Accumulating) and Class A EUR (Hedged) (Distributing) Units: €10.00 per Unit Class A GBP (Hedged) (Accumulating) and Class A GBP (Hedged) (Distributing) Units: £10.00 per Unit Class A NZD (Hedged) (Accumulating) and Class A NZD (Hedged) (Distributing) Units: NZ$10.00 per Unit Class A RMB, Class A RMB (Hedged) (Accumulating), Class A RMB (Hedged) (Distributing), Class P RMB (Accumulating) and Class P (RMB) (Hedged) (Accumulating) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine.

	Following the Launch Period: at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Investment Amount	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: RMB Units: US$1,000,000 (or its equivalent) Class P: USD Units: US$200,000 Class P RMB and Class P RMB (Hedged) Units: RMB1,000,000
Minimum Subsequent Investments Amounts	Class A: USD Units: US$1,000 Class A: HKD Units: HK$5,000 Class A RMB and Class A (Hedged) Units: US$1,000 (or its equivalent) Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: RMB Units: US$500,000 (or its equivalent) Class P: USD Units: US$100,000 Class P RMB and Class P RMB (Hedged) Units: RMB500,000
Minimum Holding	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: RMB Units: US$1,000,000 (or its equivalent) Class P: USD Units: US$200,000 Class P RMB and Class P RMB (Hedged) Units: RMB1,000,000
Minimum Realisation or Conversion Amount	Class A Units: Nil Class A RMB and Class A (Hedged) Units: Nil Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: RMB Units: US$500,000 (or its equivalent) Class P: USD Units: US$100,000 Class P RMB and Class P RMB (Hedged) Units: RMB500,000

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedures for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	Class A, Class A RMB, Class A (Hedged) and Class P Units: up to 5% Class I Units: up to 3%
Realisation Charge (% of realisation price)	Class A, Class A RMB, Class A (Hedged) and Class P Units: 0.5%, but currently waived *Class I Units: 0.5% if such Class I Units are held for less than 1 year, otherwise nil **For the purpose of determining the realisation charge payable on Class I Units, Units subscribed earlier in time will be deemed to be realised prior to Units subscribed later in time.*
Conversion Charge (% of issue price of new Units)	All Classes: Up to 2.0%

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Fund. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Management Fee (% Net Asset Value of the BEA Union Investment China High Yield Income Fund)	Class A, Class A RMB and Class A (Hedged) Units: 1.20% p.a. Class I Units: 0.8% p.a. Class P Units: 1.1% p.a.
Trustee Fee (% Net Asset Value of the BEA Union Investment China High Yield Income Fund)	Current fee payable for all Classes: 0.15% p.a.
Registrar's Fee (% Net Asset Value of the BEA Union Investment China High Yield Income Fund)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% Net Asset Value of the BEA Union Investment China High Yield Income Fund)	All Classes: Nil
Distribution policy	*Class A (Accumulating), Class A (Hedged) (Accumulating), Class I (Accumulating) and Class P Units: no distributions *Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units: income and/or capital may be distributed **For details please refer to the sub-section headed **"Distributions"** below.*

Establishment Costs

The costs of establishment of the BEA Union Investment China High Yield Income Fund amounted to approximately HK$120,000 and were borne by the BEA Union Investment China High Yield Income Fund and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such in Units. In respect of each Accounting Period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager upon request and at the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under "**Risk Factors**" below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

Any income earned for Class A (Accumulating), Class A (Hedged) (Accumulating), Class I (Accumulating) and Class P Units will not be distributed and will be accumulated and capitalised.

For Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**").

For Class A RMB (Distributing) and Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following an Interim Accounting Period or an Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Date. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

The Manager currently does not intend to make provisions for any Mainland China taxes payable by the Sub-Fund on interest from debt securities issued in Mainland China during the tax exemption period up to 6 November 2021 as provided by Caishui Circular No.108. Upon expiry of such period, a provision at a rate of 10% (or as otherwise advised by the Sub-Fund's tax adviser) together with the applicable VAT will be withheld on the interest income from debt securities issued in Mainland China (if the relevant WIT is not withheld at source). Based on professional and independent tax advice, no provision will be made on realized capital gain from debt securities issued in Mainland China. Upon the availability of a definitive tax assessment or the issue of announcements by the Mainland Chinese tax authorities, any sums withheld in excess of the tax liability shall be transferred to the Sub-Fund's accounts forming part of the Sub-Fund's assets. However, if the actual applicable tax is higher than that provided for by the Manager so that there is a short fall in the tax provision amount, the Sub-Fund may suffer from a fall in value as the Sub-Fund will ultimately have to bear the additional tax liabilities. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Valuation

Valuation Days for the BEA Union Investment China High Yield Income Fund are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risk

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with debt securities

As the BEA Union Investment China High Yield Income Fund invests directly in debt securities issued by Chinese companies, the BEA Union Investment China High Yield Income Fund is therefore subject to the risks generally associated with China and debt securities, namely, interest rate risk and credit risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. An increase in interest rate will generally reduce the value of debt securities. The Sub-Fund is also exposed to the credit/default risk of issuers of the debt securities that the Sub-Fund may invest in. The debt securities that are issued by Chinese entities may be subject to higher volatility and lower liquidity compared to debt securities issued by companies in more developed markets. The prices of such securities may be subject to fluctuations.

The BEA Union Investment China High Yield Income Fund may invest in debt securities denominated in USD, RMB or other currencies and will hence be subject to currency risk. Please refer to the risk factor "Currency risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

The BEA Union Investment China High Yield Income Fund may invest significantly 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 securities because of reduced credit worthiness, liquidity and greater chance of default and can thereby expose the BEA Union Investment China High Yield Income Fund to losses. Please also refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Credit/Counterparty risk", "Downgrading risk", "Below investment grade and non-rated securities", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Credit rating agency risk (for Mainland China onshore debt securities)", "Risks of investing in convertible bonds", ""Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks", 'Risks associated with China interbank bond market" and "Risks associated with debt instruments with loss-absorption features" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/China market risk

The Sub-Fund's investments are concentrated in specific geographical location, i.e. 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 economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event adversely affecting the China market. Please also refer to the risk factor "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

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.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Distribution risk

In respect of each accounting period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return**.

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency hedging risk

The BEA Union Investment China High Yield Income Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Where the BEA Union Investment China High Yield Income Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 Units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum.

The BEA Union Investment China High Yield Income Fund, due to its possible exposure to debt securities which are below investment grade or non-rated, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment China High Yield Income Fund as a medium to high risk investment.

APPENDIX V

BEA UNION INVESTMENT ASIAN STRATEGIC BOND FUND

Introduction

BEA Union Investment Asian Strategic Bond Fund invests primarily in debt securities that are denominated in Asian currencies or 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.

Units of each unit class in the BEA Union Investment Asian Strategic Bond Fund will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asian Strategic Bond Fund will be such date or period as may be determined by the Manager.

Following the Launch Period, Units are available for issue on each Dealing Day at the prevailing offer price. The Manager may issue additional unit classes at such issue price as the Manager shall determine.

The base currency of the BEA Union Investment Asian Strategic Bond Fund is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment Asian Strategic Bond Fund is to seek medium to long term capital growth and regular income by primarily investing in Asian debt securities.

The Sub-Fund aims to provide medium to long term capital growth and regular income by primarily (i.e. at least 70% of its Net Asset Value) investing in debt securities that are (a) denominated in Asian currencies, or (b) 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, and denominated in USD or other currencies including Asian currencies. The debt securities as described above are hereinafter referred to as "Debt Securities". 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 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 also include asset-backed securities and mortgage-backed securities (in aggregate of not more than 20% 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) for purposes consistent with the investment objective of the Sub-Fund.

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 or non-rated Debt Securities that meet the standards as determined by the Manager.

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 may also invest less than 10% of its assets in Debt Securities denominated in RMB and issued in Mainland China ("**Onshore Debt Securities**") through direct investment in the China interbank bond markets via Foreign Direct Access Regime and/or Bond Connect. Onshore Debt Securities in which the Sub-Fund may invest will not be subject to any duration or minimum credit rating requirements. The Sub-Fund may invest in investment grade (rated as AA- or above by a Mainland China credit rating agency), below investment grade or non-rated Onshore Debt Securities that meet the standards as determined by the Manager.

Although the Sub-Fund may invest substantially in debt securities related to China, the Sub-Fund may invest less than 30% of its assets in Debt Securities denominated in RMB and issued outside of Mainland China (i.e. "Dim Sum" bonds). The Sub-Fund will have less than 30% aggregate exposure to investments denominated in RMB including Onshore Debt Securities and Dim Sum bonds.

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 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, it will be classified as non-rated.

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 may invest less than 10% of its assets in structured deposits or products. The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction 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.

Please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum for the general risks and the "**Risk Factors**" sub-section of this Appendix for specific risks relating to investment in the BEA Union Investment Asian Strategic Bond Fund.

Available Classes and Currency Denomination

The classes of Units available for issue and their class currency are as follows:

<u>USD</u>	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	Class I (Distributing)
Class P (Accumulating)	
<u>HKD</u>	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	Class I (Distributing)
<u>EUR</u>	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
<u>JPY</u>	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	
<u>RMB</u>	
Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	Class I (Distributing)
Class P (Accumulating)	
<u>AUD (Hedged)</u>	
Class A AUD (Hedged) (Accumulating)	Class A AUD (Hedged) (Distributing)

CAD (Hedged)

Class A CAD (Hedged) (Accumulating)	Class A CAD (Hedged) (Distributing)

EUR (Hedged)

Class A EUR (Hedged) (Accumulating)	Class A EUR (Hedged) (Distributing)

GBP (Hedged)

Class A GBP (Hedged) (Accumulating)	Class A GBP (Hedged) (Distributing)

JPY (Hedged)

Class A JPY (Hedged) (Accumulating)	Class A JPY (Hedged) (Distributing)

NZD (Hedged)

Class A NZD (Hedged) (Accumulating)	Class A NZD (Hedged) (Distributing)

RMB (Hedged)

Class A RMB (Hedged) (Accumulating)	Class A RMB (Hedged) (Distributing)
Class P RMB (Hedged) (Accumulating)	

References to Class A Units include Class A USD (Accumulating), Class A HKD (Accumulating), Class A USD (Distributing) and Class A HKD (Distributing) Units; references to Class A EUR Units include Class A EUR (Accumulating) and Class A EUR (Distributing) Units; references to Class A JPY Units include Class A JPY (Accumulating) and Class A JPY (Distributing) Units; references to Class A RMB Units include Class A RMB (Accumulating) and Class A RMB (Distributing) Units; and references to Class I Units include Class I (Accumulating) and Class I (Distributing) Units. References to Class P Units include Class P (Accumulating) Units.

References to Class A (Hedged) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units.

References to Class A (Accumulating) Units include Class A USD (Accumulating), Class A HKD (Accumulating), Class A EUR (Accumulating), Class A JPY (Accumulating) and Class A RMB (Accumulating) Units; and references to Class A (Distributing) Units include Class A USD (Distributing), Class A HKD (Distributing), Class A EUR (Distributing), Class A JPY (Distributing) and Class A RMB (Distributing) Units.

References to Class A (Hedged) (Accumulating) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A EUR (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A JPY (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating) and Class A RMB (Hedged) (Accumulating) Units; and references to Class A (Hedged) (Distributing) Units include Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A EUR (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A JPY (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A: USD and Class P: USD Units: US$10.00 per Unit Class A: HKD Units: HK$100.00 per Unit Class A AUD (Hedged) (Accumulating) and Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A CAD (Hedged) (Accumulating) and Class A CAD (Hedged) (Distributing) Units: C$10.00 per Unit Class A EUR, Class A EUR (Hedged) (Accumulating) and Class A EUR (Hedged) (Distributing) Units: €10.00 per Unit Class A GBP (Hedged) (Accumulating) and Class A GBP (Hedged) (Distributing) Units: £10.00 per Unit Class A JPY, Class A JPY (Hedged) (Accumulating) and Class A JPY (Hedged) (Distributing) Units: ¥1,000 per Unit Class A NZD (Hedged) (Accumulating) and Class A NZD (Hedged) (Distributing) Units: NZ$10.00 per Unit Class A RMB, Class A RMB (Hedged) (Accumulating), Class A RMB (Hedged) (Distributing), Class P RMB (Accumulating) and Class P RMB (Hedged) (Accumulating) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period: at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Initial Investment Amount	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: EUR, JPY, RMB Units: US$1,000,000 (or its equivalent) Class P: USD Units: US$200,000 Class P RMB and Class P RMB (Hedged) Units: RMB1,000,000
Minimum Subsequent Investment Amount	Class A: USD Units: US$1,000 Class A: HKD Units: HK$5,000 Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$1,000 (or its equivalent) Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: EUR, JPY, RMB Units: US$500,000 (or its equivalent) Class P: USD Units: US$100,000 Class P RMB and Class P RMB (Hedged) Units: RMB500,000
Minimum Holding	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: EUR, JPY, RMB Units: US$1,000,000 (or its equivalent) Class P: USD Units: US$200,000 Class P RMB and Class P RMB (Hedged) Units: RMB1,000,000

Minimum Realisation or Conversion Amount	Class A Units: Nil Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: Nil Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: EUR, JPY, RMB Units: US$500,000 (or its equivalent) Class P: USD Units: US$100,000 Class P RMB and Class P RMB (Hedged) Units: RMB500,000

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedures for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	Class A, Class A EUR, Class A JPY, Class A RMB, Class A (Hedged) and Class P Units: up to 5% Class I Units: up to 3%
Realisation Charge (% of realisation price)	Class A, Class A EUR, Class A JPY, Class A RMB, Class A (Hedged) and Class P Units: 0.5%, but currently waived *Class I Units: 0.5% if such Class I Units are held for less than 1 year, otherwise nil **For the purpose of determining the realisation charge payable on Class I Units, Units subscribed earlier in time will be deemed to be realised prior to Units subscribed later in time.*
Conversion Charge (% of issue price of new Units)	All Classes: Up to 2.0%

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Fund. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Management Fee (% of Net Asset Value of the BEA Union Investment Asian Strategic Bond Fund)	Class A, Class A EUR, Class A JPY, Class A RMB and Class A (Hedged) Units: 1.0% p.a. Class I Units: 0.7% p.a. Class P Units: 0.9% p.a.
Trustee Fee (% of Net Asset Value of the BEA Union Investment Asian Strategic Bond Fund)	Current fee payable for all Classes: 0.125% p.a.
Registrar's Fee (% of Net Asset Value of the BEA Union Investment Asian Strategic Bond Fund)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% of Net Asset Value of the BEA Union Investment Asian Strategic Bond Fund)	All Classes: Nil

Distribution policy	*Class A (Accumulating), Class A (Hedged) (Accumulating), Class I (Accumulating) and Class P Units: no distributions *Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units: income and/or capital may be distributed **For details please refer to the sub-section headed **"Distributions"** below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asian Strategic Bond Fund amounted to approximately HK$100,000 and were borne by the BEA Union Investment Asian Strategic Bond Fund and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such in Units. In respect of each Accounting Period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager upon request and at the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under "**Risk Factors**" below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

Any income earned for Class A (Accumulating), Class A (Hedged) (Accumulating), Class I (Accumulating) and Class P Units will not be distributed and will be accumulated and capitalised.

For Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**").

For Class A RMB (Distributing) and Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following an Interim Accounting Period or an Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Date. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

The Manager currently does not intend to make provisions for any Mainland China taxes payable by the Sub-Fund on interest from debt securities issued in Mainland China during the tax exemption period up to 6 November 2021 as provided by Caishui Circular No.108. Upon expiry of such period, a provision at a rate of 10% (or as otherwise advised by the Sub-Fund's tax adviser) together with the applicable VAT will be withheld on the interest income from debt securities issued in Mainland China (if the relevant WIT is not withheld at source). Based on professional and independent tax advice, no provision will be made on realized capital gain from debt securities issued in Mainland China. Upon the availability of a definitive tax assessment or the issue of announcements by the Mainland Chinese tax authorities, any sums withheld in excess of the tax liability shall be transferred to the Sub-Fund's accounts forming part of the Sub-Fund's assets. However, if the actual applicable tax is higher than that provided for by the Manager so that there is a short fall in the tax provision amount, the Sub-Fund may suffer from a fall in value as the Sub-Fund will ultimately have to bear the additional tax liabilities. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Valuation

Valuation Days for the BEA Union Investment Asian Strategic Bond Fund are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risks

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with debt securities

The Sub-Fund is subject to the risks associated with debt securities. Please refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Downgrading risk", "Below investment grade and non-rated securities", "Credit/Counterparty risk", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Risks of investing in convertible bonds", ""Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks", "Risks associated with China interbank bond market" and "Risks associated with debt instruments with loss-absorption features" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/Asian market risk

The Sub-Fund is also subject to concentration risk/Asian market risk, and may have substantial exposure related to China. Please refer to the risk factors "Concentration risk/Asian market risk" and "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

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.

Currency risk

The BEA Union Investment Asian Strategic Bond Fund is also subject to currency risk. Please refer to the risk factor "Currency risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Derivative risk

The BEA Union Investment Asian Strategic Bond Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Distribution risk

In respect of each accounting period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return**.

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency hedging risk

The BEA Union Investment Asian Strategic Bond Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Where the BEA Union Investment Asian Strategic Bond Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum.

The BEA Union Investment Asian Strategic Bond Fund, due to its possible exposure to debt securities which are concentrated in Asia, has a medium risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asian Strategic Bond Fund as a medium risk investment.

APPENDIX VI

BEA UNION INVESTMENT ASIAN OPPORTUNITIES FUND

Introduction

BEA Union Investment Asian Opportunities Fund invests primarily in equity securities that are either (a) traded in the Asia or (b) issued by entities incorporated in Asia or have significant operations or assets in, or derive significant portion of revenue or profits from Asia.

Units of each unit class in the BEA Union Investment Asian Opportunities Fund will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asian Opportunities Fund will be such date or period as may be determined by the Manager.

Following the Launch Period, Units are available for issue on each Dealing Day at the prevailing offer price. The Manager may issue additional unit classes at such issue price as the Manager shall determine.

The base currency of the BEA Union Investment Asian Opportunities Fund is US$.

Investment Objective and Policy

The investment objective of the Sub-Fund is to seek medium to long term capital growth by primarily investing in Asian equity securities.

The Sub-Fund aims to provide medium to long term capital growth by primarily (i.e. at least 70% of its Net Asset Value) investing in equity securities that are either (a) traded in Asia or (b) issued by entities incorporated in Asia or have significant operations or assets in, or derive significant portion of revenue or profits from Asia. The equity securities as described above are hereinafter referred to as "Equity Securities". The Asian region includes emerging markets as well as developed markets. The Sub-Fund is not subject to any limitation on the portion of its Net Asset Value that may be invested in any one country or region in Asia, and may have substantial exposure related to China. 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.

Equity Securities that may be invested by the Sub-Fund include but are not limited to equities (e.g. ordinary shares and preferred shares), real estate investment trusts ("**REITs**"), equity exchange traded funds ("**ETFs**") and unlisted equity funds. The Sub-Fund may invest in Equity Securities of companies of any industry and any market capitalisation. The Sub-Fund's investment in ETFs and/or REITs in aggregate is expected to be less than 30% of its assets. ETFs will be treated as listed securities for the purpose of the Code. The Sub-Fund may also invest less than 30% of its Net Asset Value in unlisted equity funds (in compliance with 7.11 to 7.11D of the Code) for purposes consistent with the investment objective of the Sub-Fund.

The Sub-Fund may invest less than 30% of its assets in China A-Shares and/or China B-Shares directly (e.g. via the Stock Connects (as further described in Annex A of the Explanatory Memorandum)) or indirectly (i.e. investing in funds that invest in China A-Shares and/or China B-Shares).

The Sub-Fund integrates key aspects related to sustainability and/or environmental, social and governance ("**ESG**") criteria (e.g. a company's carbon footprint, employee health and well-being, management of the value chain, equitable treatment of clients and governance procedures) in its investment process. However, the Manager may continue to invest in Equity Securities which it believes that the potential profit outweighs the ESG criteria being considered. As such, the Sub-Fund will focus primarily on maximising financial returns whilst including ESG as an additional but non-binding factor in the investment process. For the avoidance of doubt, the Sub-Fund is not categorised as Green or ESG funds in Hong Kong[1], and ESG is not a key investment focus and consideration of the Sub-Fund.

[1] Pursuant to the Circular to Management Companies of SFC-authorized Unit Trusts and Mutual Funds – Green or ESG Funds issued by the Securities and Futures Commission of Hong Kong on 11 April 2019, as amended from time to time.

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 Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction 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.

Please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum for the general risks and the **"Risk Factors"** sub-section of this Appendix for specific risks relating to investment in the BEA Union Investment Asian Opportunities Fund.

Available Classes and Currency Denomination

The classes of Units available for issue and their class currency are as follows:

USD

Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	

HKD

Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	

RMB

Class A (Accumulating)	Class A (Distributing)
Class I (Accumulating)	

AUD (Hedged)

Class A AUD (Hedged) (Accumulating)	Class A AUD (Hedged) (Distributing)

CAD (Hedged)

Class A CAD (Hedged) (Accumulating)	Class A CAD (Hedged) (Distributing)

GBP (Hedged)

Class A GBP (Hedged) (Accumulating)	Class A GBP (Hedged) (Distributing)

NZD (Hedged)

Class A NZD (Hedged) (Accumulating)	Class A NZD (Hedged) (Distributing)

RMB (Hedged)

Class A RMB (Hedged) (Accumulating)	Class A RMB (Hedged) (Distributing)

References to Class A Units include Class A USD (Accumulating), Class A HKD (Accumulating), Class A RMB (Accumulating), Class A USD (Distributing), Class A HKD (Distributing) and Class A RMB (Distributing) Units; references to Class A RMB Units include Class A RMB (Accumulating) and Class A RMB (Distributing) Units; and references to Class I Units include Class I USD (Accumulating), Class I HKD (Accumulating) and Class I RMB (Accumulating) Units.

References to Class A (Hedged) Units include Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating), Class A RMB (Hedged) (Accumulating), 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) Units.

References to Class A (Accumulating) Units include Class A USD (Accumulating), Class A HKD (Accumulating) and Class A RMB (Accumulating) Units; and references to Class A (Distributing) Units include Class A USD (Distributing), Class A HKD (Distributing) and Class A RMB (Distributing) Units.

References to Class A (Hedged) (Accumulating) Units include 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) Units; and references to Class A (Hedged) (Distributing) Units include 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) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A: USD Units: US$10.00 per Unit Class A: HKD Units: HK$100.00 per Unit Class A AUD (Hedged) (Accumulating) and Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A CAD (Hedged) (Accumulating) and Class A CAD (Hedged) (Distributing) Units: C$10.00 per Unit Class A GBP (Hedged) (Accumulating) and Class A GBP (Hedged) (Distributing) Units: £10.00 per Unit Class A NZD (Hedged) (Accumulating) and Class A NZD (Hedged) (Distributing) Units: NZ$10.00 per Unit Class A RMB, Class A RMB (Hedged) (Accumulating) and Class A RMB (Hedged) (Distributing) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period: at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Initial Investment Amount	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: RMB Units: US$1,000,000 (or its equivalent)
Minimum Subsequent Investment Amount	Class A: USD Units: US$1,000 Class A: HKD Units: HK$5,000 Class A RMB and Class A (Hedged) Units: US$1,000 (or its equivalent) Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: RMB Units: US$500,000 (or its equivalent)
Minimum Holding	Class A: USD Units: US$2,000 Class A: HKD Units: HK$10,000 Class A RMB and Class A (Hedged) Units: US$2,000 (or its equivalent) Class I: USD Units: US$1,000,000 Class I: HKD Units: HK$10,000,000 Class I: RMB Units: US$1,000,000 (or its equivalent)

Minimum Realisation or Conversion Amount	Class A Units: Nil Class A (Hedged) Units: Nil Class I: USD Units: US$500,000 Class I: HKD Units: HK$5,000,000 Class I: RMB Units: US$500,000 (or its equivalent)

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedures for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	Class A and Class A (Hedged) Units: up to 5% Class I Units: up to 3%
Realisation Charge (% of realisation price)	Class A and Class A (Hedged) Units: 0.5%, but currently waived *Class I Units: 0.5% if such Class I Units are held for less than 1 year, otherwise nil **For the purpose of determining the realisation charge payable on Class I Units, Units subscribed earlier in time will be deemed to be realised prior to Units subscribed later in time.*
Conversion Charge (% of issue price of new Units)	All Classes: Up to 2.0%

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Fund. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Management Fee (% of Net Asset Value of the BEA Union Investment Asian Opportunities Fund)	Class A and Class A (Hedged) Units: 1.5% p.a. Class I Units: 1.0% p.a.
Trustee Fee (% of Net Asset Value of the BEA Union Investment Asian Opportunities Fund)	Current fee payable for all Classes: 0.15% p.a.
Registrar's Fee (% of Net Asset Value of the BEA Union Investment Asian Opportunities Fund)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% of Net Asset Value of the BEA Union Investment Asian Opportunities Fund)	All Classes: Nil
Distribution policy	*Class A (Accumulating), Class A (Hedged) (Accumulating) and Class I Units: no distributions *Class A (Distributing) and Class A (Hedged) (Distributing) Units: income and/or capital may be distributed **For details please refer to the sub-section headed "**Distributions**" below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asian Opportunities Fund amounted to approximately HK$100,000 and were borne by the BEA Union Investment Asian Opportunities Fund and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing) and Class A (Hedged) (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such in Units. In respect of each Accounting Period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager upon request and at the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under **"Risk Factors"** below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

Any income earned for Class A (Accumulating), and Class A (Hedged) (Accumulating) and Class I Units will not be distributed and will be accumulated and capitalised.

For Class A (Distributing) and Class A (Hedged) (Distributing) Units, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**").

For Class A RMB (Distributing) and Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following an Interim Accounting Period or an Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Date. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

Valuation

Valuation Days for the BEA Union Investment Asian Opportunities Fund are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risks

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Risks associated with equity securities

The BEA Union Investment Asian Opportunities 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.

Certain securities exchanges have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible to liquidate positions and can thereby expose the BEA Union Investment Asian Opportunities Fund to losses. In addition, the securities invested by the BEA Union Investment Asian Opportunities Fund may not distribute the dividends at the level that the Manager expects, which affect the overall dividend distribution rate by the BEA Union Investment Asian Opportunities Fund. Investors should also note that any listed REITs invested by the BEA Union Investment Asian Opportunities Fund may not necessarily be authorised by the SFC, and the distribution policy of the Sub-Fund is not representative of the distribution policy of such listed REITs.

High market volatility and potential settlement difficulties in the markets may also result in significant fluctuations in the prices of the securities traded on such markets and thereby may adversely affect the value of the Sub-Fund.

Please also refer to the risk factors "Market risk", "Risks associated with the Stock Connects" and "Risk associated with small-capitalisation/mid-capitalisation companies" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/Asian market risk

The Sub-Fund is also subject to concentration risk/Asian market risk, and may have substantial exposure related to China. Please refer to the risk factors "Concentration risk/Asian market risk" and "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Risks associated with ESG integration process

While ESG criteria are additional but non-binding factors in the investment process, the use of ESG criteria may affect the Sub-Fund's investment performance and, as such, the Sub-Fund may perform differently compared to similar funds that do not use such criteria. In evaluating an equity security based on ESG criteria, the Manager may be dependent upon information and data from third party ESG providers, which may be incomplete, inaccurate or unavailable. As a result, there is a risk that the Manager may incorrectly assess an equity security. There is also a risk that the Manager may not apply the relevant ESG criteria correctly.

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.

Risks relating to investment in ETFs generally

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 (for example, as a result of imposition of capital controls by a foreign government) 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.

Risks relating to REITs

The Sub-Fund will not invest in real property directly but the Sub-Fund may be subject to risks similar to those associated with the direct ownership of real property (in addition to securities market risks) through its investment in REITs. Real estate investments are relatively illiquid and may affect the ability of a REIT to vary its investment portfolio or liquidate part of its assets in response to changes in economic conditions, international securities markets, foreign exchange rates, interest rates, real estate markets or other conditions. Adverse global economic conditions could adversely affect the business, financial condition and results of operations of REITs. REITs may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than other securities.

The prices of REITs are affected by changes in the value of the underlying property owned by the REITs. Investment in REITs may therefore subject the Sub-Fund to risks similar to those from direct ownership of real property. The prices of mortgage REITs are affected by the quality of any credit they extend, the creditworthiness of the mortgages they hold, as well as by the value of the property that secures the mortgages.

Further, REITs are dependent upon management skills in managing the underlying properties and generally may not be diversified. In addition, certain "special purpose" REITs in which the Sub-Fund may invest may have their assets in specific real property sectors, such as hotel REITs, nursing home REITs or warehouse REITs, and are therefore subject to the risks associated with adverse developments in these sectors.

REITs are also subject to heavy cash flow dependency, defaults by borrowers and self-liquidation. There is also the risk that borrowers under mortgages held by a REITs or lessees of a property that a REITs owns may be unable to meet their obligations to the REITs. In the event of a default by a borrower or lessee, the REITs may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments. On the other hand, if the key tenants experience a downturn in their businesses or their financial condition, they may fail to make timely rental payments or default under their leases. Tenants in a particular industry might also be affected by any adverse downturn in that industry and this may result in their failure to make timely rental payments or to default under the leases. The REITs may suffer losses as a result.

REITs may have limited financial resources and may be subject to borrowing limits. Consequently, REITs may need to rely on external sources of funding to expand their portfolios, which may not be available on commercially acceptable terms or at all. If a REIT cannot obtain capital from external sources, it may not be able to acquire properties when strategic opportunities exist.

Any due diligence exercise conducted by REITs on buildings and equipment may not have identified all material defects, breaches of laws and regulations and other deficiencies. Losses or liabilities from latent building or equipment defects may adversely affect earnings and cash flow of the REITs.

The Sub-Fund may invest in REITs which may not necessarily be authorised by the SFC.

Currency risk

The BEA Union Investment Asian Opportunities Fund is also subject to currency risk. Please refer to the risk factor "Currency risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Derivative risk

The BEA Union Investment Asian Opportunities Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Distribution risk

In respect of each accounting period, it is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return.**

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency hedging risk

The BEA Union Investment Asian Opportunities Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Where the BEA Union Investment Asian Opportunities Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum.

The BEA Union Investment Asian Opportunities Fund, due to its possible exposure to listed equities, REITs, ETFs and/or equity funds, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asian Opportunities Fund as a medium to high risk investment.

APPENDIX VII

BEA UNION INVESTMENT ASIAN BOND TARGET MATURITY FUND 2022

Introduction

BEA Union Investment Asian Bond Target Maturity Fund 2022 invests primarily 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.

Units of each unit class in the BEA Union Investment Asian Bond Target Maturity Fund 2022 will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asian Bond Target Maturity Fund 2022 will be such date or period as may be determined by the Manager.

The Manager may at its discretion, and without any prior notice, close the Sub-Fund to subsequent subscriptions after the Launch Period. At any time following any closure of the Sub-Fund after the Launch Period, the Manager may also determine to re-open the Sub-Fund to subsequent subscriptions, without any prior notice to existing Unitholders. Notwithstanding the above, Unitholders may continue to realise their Units at any time, including after the Sub-Fund has been closed to subsequent subscriptions, in accordance with the procedures defined in this Appendix. **For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if the Sub-Fund is re-opened to subsequent subscriptions in the circumstances above.**

The base currency of the BEA Union Investment Asian Bond Target Maturity Fund 2022 is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment Asian Bond Target Maturity Fund 2022 is, on a best effort basis, to seek regular income from the close of the Launch Period up to the BEA Union Investment Asian Bond Target Maturity Fund 2022's target maturity date ("**Maturity Date**") (being 31 January 2022) and to return the capital of the BEA Union Investment Asian Bond Target Maturity Fund 2022 by investing primarily in Asian fixed income-related securities.

The BEA Union Investment Asian Bond Target Maturity Fund 2022 aims to provide regular income by investing primarily (i.e. at least 70% of its Net Asset Value) 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 debt securities as described above are hereinafter referred to as "Debt Securities". 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.

The BEA Union Investment Asian Bond Target Maturity Fund 2022 aims to be fully invested in order to achieve its investment objectives and strategies, and intends to invest in Debt Securities that distribute at an annualized rate of above USD3-month LIBOR and have maturities close to or at the Maturity Date of the Sub-Fund. However, in the 3-month period immediately preceding the Maturity Date, the BEA Union Investment Asian Bond Target Maturity Fund 2022 may invest more than 30% (and eventually up to 100%, depending on prevailing market conditions) of its NAV in cash, cash equivalents, term deposits, and/or money market instruments solely for the purpose of facilitating a timely realisation of the Sub-Fund's investments at market value, and in order to ensure that Unitholders receive their investment proceeds, as at the Maturity Date.

Debt Securities include but are not limited to convertible, exchangeable and non-exchangeable and non-convertible debt securities, fixed and floating rate bonds, zero coupon and discount bonds, transferable notes, commercial papers, certificates of deposits of variable or fixed interest rates (including negotiable certificates of deposits), listed, traded or dealt in regulated markets or exchanges, capital securities with fixed income features (e.g. perpetual bonds and subordinated debts), preference shares with fixed income features, as well as short term bills and notes. Debt Securities also include asset-backed securities and mortgage-backed securities (in aggregate of not more than 20% of the Sub-Fund's assets), as well as money market funds and fixed income funds (in aggregate of less than 30% of the Sub-Fund's assets and in compliance with 7.11 to 7.11D of the Code) for purposes consistent with the investment objective of the Sub-Fund. 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 minimum credit rating requirements. The Sub-Fund will invest at least 50% of its non-cash assets in investment grade Debt Securities (rated as Baa3 or above for long-term Debt Securities, or Prime-3 or above for short-term Debt Securities of less than one year, by Moody's Investor Services, Inc. or equivalent rating by other recognised rating agencies). The Sub-Fund may also invest in below investment grade or non-rated Debt Securities that meet the standards as determined by the Manager.

The Sub-Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features including senior non-preferred debt and subordinated debt issued by financial institutions. These instruments may be subject to contingent write-down on the occurrence of trigger event(s).

The Sub-Fund may also invest less than 10% of its assets in debt securities denominated in RMB and issued in Mainland China ("**Onshore Debt Securities**") through direct investment in the China interbank bond markets via Foreign Direct Access Regime and/or Bond Connect. Onshore Debt Securities in which the Sub-Fund may invest will not be subject to any duration or minimum credit rating requirements. The Sub-Fund may invest in investment grade (rated as AA- or above by a Mainland China credit rating agency), below investment grade or non-rated Onshore Debt Securities that meet the standards as determined by the Manager.

Although the Sub-Fund may invest substantially in debt securities related to China, the Sub-Fund may invest less than 30% of its assets in debt securities denominated in RMB and issued outside of Mainland China (i.e. "Dim Sum" bonds). The Sub-Fund will have less than 30% aggregate exposure to investments denominated in RMB including Onshore Debt Securities and Dim Sum bonds.

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 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, it will be classified as non-rated.

It is expected that the BEA Union Investment Asian Bond Target Maturity Fund 2022 will have an investment period of up to approximately 3 calendar years. The underlying investments of the BEA Union Investment Asian Bond Target Maturity Fund 2022 may have a date to maturity longer or shorter than the investment period of the Sub-Fund. The BEA Union Investment Asian Bond Target Maturity Fund 2022 will be terminated automatically at the end of the investment period, namely the Maturity Date, and Unitholders will be given prior written notice of such termination. Any costs associated with such termination will be borne by the BEA Union Investment Asian Bond Target Maturity Fund 2022*. All Units of the BEA Union Investment Asian Bond Target Maturity Fund 2022 will be compulsorily redeemed at the Maturity Date and proceeds will be distributed to Unitholders (who hold Units of the Sub-Fund as at the Maturity Date) according to the then net asset value of the BEA Union Investment Asian Bond Target Maturity Fund 2022.

In normal market conditions, the Sub-Fund may also hold less than 30% of its assets in cash or cash equivalents. This percentage may be increased to up to 100% of its assets in extreme market conditions, e.g. significant economic downturns, market crash, major crisis, political turmoil or legal or regulatory or policy uncertainty.

The Sub-Fund may invest less than 10% of its assets in structured deposits or products. The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction 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.

** Costs associated with such termination are estimated to be approximately HK$100,000 and shall be amortised over the period from the close of Launch Period up to the Maturity Date.*

Please refer to the section headed "**Risk Factors**" in the main part of the Explanatory Memorandum for the general risks and the "**Risk Factors**" sub-section of this Appendix for specific risks relating to investment in the BEA Union Investment Asian Bond Target Maturity Fund 2022.

Available Classes and Currency Denomination

Class A USD (Distributing), Class A HKD (Distributing), Class A RMB (Hedged) (Distributing) and Class I USD (Distributing) Units are currently available for issue to investors.

References to Class A Units include Class A USD (Distributing), Class A HKD (Distributing) and Class A RMB (Hedged) (Distributing) Units; and references to Class I Units include Class I USD (Distributing) Units.

References to Class A (Distributing) Units include Class A USD (Distributing), Class A HKD (Distributing) Units and Class A RMB (Hedged) (Distributing) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A USD (Distributing) Units: US$10.00 per Unit Class A HKD (Distributing) Units: HK$100.00 per Unit Class A RMB (Hedged) (Distributing) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period (if applicable): at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Initial Investment Amount	Class A USD (Distributing) Units: US$50,000 Class A HKD (Distributing) Units: HK$400,000 Class A RMB (Hedged) (Distributing) Units: US$50,000 (or its equivalent) Class I USD (Distributing) Units: US$1,000,000
Minimum Subsequent Investments Amount (only applicable where the BEA Union Investment Asian Bond Target Maturity Fund 2022 is open (or has been re-opened) to subsequent subscriptions after the close of the Launch Period)	Class A USD (Distributing) Units: US$50,000 Class A HKD (Distributing) Units: HK$400,000 Class A RMB (Hedged) (Distributing) Units: US$50,000 (or its equivalent) Class I USD (Distributing) Units: US$500,000
Minimum Holding	Class A USD (Distributing) Units: US$50,000 Class A HKD (Distributing) Units: HK$400,000 Class A RMB (Hedged) (Distributing) Units: US$50,000 (or its equivalent) Class I USD (Distributing) Units: US$1,000,000
Minimum Realisation Amount	Class A USD (Distributing) Units: US$50,000 Class A HKD (Distributing) Units: HK$400,000 Class A RMB (Hedged) (Distributing) Units: US$50,000 (or its equivalent) Class I USD (Distributing) Units: US$500,000

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedures for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	All Classes: up to 3%#
Realisation Charge (% of realisation price)^	All Classes: 1.5%# *^ No realisation charge will be levied in respect of the distribution of proceeds to Unitholders (who hold Units in the BEA Union Investment Asian Bond Target Maturity Fund 2022 as at the Maturity Date) upon compulsory redemption of the Units in the BEA Union Investment Asian Bond Target Maturity Fund 2022 at the Maturity Date or early termination.*

In order to mitigate any adverse impact to the Sub-Fund due to net subscriptions or realisations from Unitholders which exceed the pre-defined threshold as determined by the Manager from time to time, the Net Asset Value may be adjusted higher or lower by no more than 3% in certain situations. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. Such pricing adjustment will apply to all classes of Units of the Sub-Fund equally. All transactions on that Dealing Day will adopt the adjusted Net Asset Value. Adjusting the NAV upward (downward) results in investors paying more (receiving less) for each Unit. As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Further, investors may be subject to fiscal charges adjustment when they realise Units of the Sub-Fund.

For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Conversion Charge (% of issue price of new Units)	All Classes: Not applicable
Management Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2022)	Class A Units: 0.6% p.a. Class I Units: 0.4% p.a.
Trustee Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2022)	Current fee payable for all Classes: 0.125% p.a.

Registrar's Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2022)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2022)	All Classes: Nil
Distribution policy	*Class A (Distributing) and Class I USD (Distributing) Units: income and/or capital may be distributed **For details please refer to the sub-section headed* ***"Distributions"*** *below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asian Bond Target Maturity Fund 2022 amounted to approximately HK$60,000 and were borne by the BEA Union Investment Asian Bond Target Maturity Fund 2022 and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Friday shall be a Dealing Day. If such day is not a Business Day, the Dealing Day will be the immediately following Business Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Pricing Adjustment Mechanism ("swing pricing")

Please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum for details relating to swing pricing.

As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD (based on prevailing market exchange rates in consultation with the Trustee) or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Conversion of Units

Conversion of Units in BEA Union Investment Asian Bond Target Maturity Fund 2022 into Units of other Sub-Funds of BEA Union Investment Series, conversion of Units in other Sub-Funds of BEA Investment Series into Units in BEA Union Investment Asian Bond Target Maturity Fund 2022, and conversion of Units between the Unit classes within BEA Union Investment Asian Bond Target Maturity Fund 2022 are not permitted.

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing) and Class I USD (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such in Units. It is the Manager's current intention and discretion to distribute at an annualized rate of above USD3-month LIBOR for the relevant distributing Units[2]. However, there is no assurance on such distribution or the distribution rate or dividend yield. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (if any) (i.e. the relative amounts/percentages paid out of (i) net distributable income and (ii) capital) for the last 12 distributions are available from the Manager upon request and at the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under **"Risk Factors"** below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

Interim distributions (if any) will be distributed in respect of each three-month period ending on the last day of January, April, July and October of each calendar year, and a final distribution (if any) will be distributed in respect of the three-month period ending on the Maturity Date of the Sub-Fund.

For Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD (based on prevailing market exchange rates in consultation with the Trustee). For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding three-month period. The Record Date will be the 14th day of the month following the corresponding three-month period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from the last day of January, April, July or October. Payment of a final distribution (if any) will be made within two months from the Maturity Date together with the Sub-Fund's realisation proceeds. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

[2] The distribution per unit is calculated as follows: annualized rate of above average of daily USD 3-month LIBOR (for each three-month period ending on the last day of January, April, July and October) / distribution frequency over a year (i.e. 4 for quarterly distributions) x net asset value per unit on the last day of the corresponding previous three-month period.

The Manager currently does not intend to make provisions for any Mainland China taxes payable by the Sub-Fund on interest from debt securities issued in Mainland China during the tax exemption period up to 6 November 2021 as provided by Caishui Circular No.108. Upon expiry of such period, a provision at a rate of 10% (or as otherwise advised by the Sub-Fund's tax adviser) together with the applicable VAT will be withheld on the interest income from debt securities issued in Mainland China (if the relevant WIT is not withheld at source). Based on professional and independent tax advice, no provision will be made on realized capital gain from debt securities issued in Mainland China. Upon the availability of a definitive tax assessment or the issue of announcements by the Mainland Chinese tax authorities, any sums withheld in excess of the tax liability shall be transferred to the Sub-Fund's accounts forming part of the Sub-Fund's assets. However, if the actual applicable tax is higher than that provided for by the Manager so that there is a short fall in the tax provision amount, the Sub-Fund may suffer from a fall in value as the Sub-Fund will ultimately have to bear the additional tax liabilities. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Valuation

Valuation Days for the BEA Union Investment Asian Bond Target Maturity Fund 2022 are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risks

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Limited duration risk

The duration of the Sub-Fund is limited (i.e. up to the Maturity Date). Neither the income nor the capital of the Sub-Fund is guaranteed. There are risks that the Sub-Fund may not make any distribution and investors may not recoup the original amount invested in the Sub-Fund during the investment period as well as at the Maturity Date.

Early termination risk

The Sub-Fund may be liquidated on the occurrence of certain events as set out in the section "**Termination of the Fund or any Sub-Fund**" in the main part of the Explanatory Memorandum (e.g. the net asset value of the Sub-Fund falls below HK$80 million). Unitholders will be given three months' prior written notice of such termination. Any costs associated with early termination will be borne by the Sub-Fund. Upon termination of the Sub-Fund, all the assets of the Sub-Fund will be realised and the net proceeds thereof which are available for distribution will be distributed to relevant Unitholder with reference to the number of Units held by them. Unitholders should note that the amount distributed to them may be less than the amount of their initial investment.

Limited subscription risk

With regard to the Sub-Fund's Launch Period, the Manager may at its discretion not to issue any Unit in the event that (i) the combined minimum aggregate investment of US$50 million (or such minimum amount as may be determined by the Manager at its sole discretion) is not received during the Launch Period; or (ii) the Manager, in its sole discretion is of the opinion that it is not in the best interests of investors or not commercially viable to proceed with such launch. In such case, investors will be informed and any subscription monies shall be promptly returned to them in full (without any interest) less any applicable bank charges, after the close of the Launch Period.

Investors should also note that, after the end of the Launch Period, the Manager may at its discretion, and without any prior notice, close the Sub-Fund to subsequent subscriptions. No subsequent subscription to the Sub-Fund will be accepted during such closure. However, the Manager retains the discretion to subsequently re-open the Sub-Fund to any subsequent subscription(s), without any prior notice to existing Unitholders. For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if the Sub-Fund is re-opened to subsequent subscriptions in the circumstances above.

Risks associated with debt securities

The Sub-Fund is subject to risks associated with debt securities. Please refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Downgrading risk", "Below investment grade and non-rated securities", "Credit/counterparty risk", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Risks of investing in convertible bonds", ""Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks", "Risks associated with China interbank bond market" and "Risks associated with debt instruments with loss-absorption features" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Concentration risk/Asian market risk

The Sub-Fund is also subject to concentration risk/Asian market risk, and may have substantial exposure in China. Please refer to the risk factors "Concentration risk/Asian market risk" and "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

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.

Currency risk

The Sub-Fund is also subject to currency risk. Please refer to the risk factor "Currency risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Distribution risk

It is the Manager's current intention and discretion to distribute at an annualized rate of above USD3-month LIBOR for the relevant distributing Units, by investing primarily in instruments that distribute at an annualized rate of above USD3-month LIBOR. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return.**

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Money market investments risk

Insofar as the Sub-Fund invests in cash, cash equivalents, term deposits, and/or money market instruments and particularly within 3 months before the Maturity Date (depending on prevailing market conditions), investors should note that such investments are neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. The Sub-Fund does not guarantee a stable net asset value in such circumstances. The performance of the Sub-Fund may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, any existing investments in money market instruments by the Sub-Fund may effectively result in negative yields, which may adversely impact the net asset value of the Sub-Fund. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. Moreover, the holding of Units in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. There is no obligation for the Manager to redeem Units in the Sub-Fund at their issue price.

Currency hedging risk

The Sub-Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Where the Sub-Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum.

The BEA Union Investment Asian Bond Target Maturity Fund 2022, due to its possible exposure to USD denominated debt securities which are concentrated in Asia, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asian Bond Target Maturity Fund 2022 as a medium to high risk investment.

APPENDIX VIII

BEA UNION INVESTMENT ASIAN CORPORATE TARGET MATURITY FUND 2023

Introduction

BEA Union Investment Asian Corporate Target Maturity Fund 2023 invests primarily in USD denominated debt securities that are issued or guaranteed by entities incorporated in Asia or corporations that have significant operations or assets in, or derive significant portion of revenue or profits from Asia.

The BEA Union Investment Asian Corporate Target Maturity Fund 2023 will have an investment period of up to approximately 3.5 calendar years and will be terminated automatically at the end of the investment period, which is expected to be on or around 23 May 2023 (the "**Maturity Date**").

Units of each unit class in the BEA Union Investment Asian Corporate Target Maturity Fund 2023 will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asian Corporate Target Maturity Fund 2023 will be such date or period as may be determined by the Manager.

The Manager may at its discretion, and without any prior notice, close the Sub-Fund to subsequent subscriptions after the Launch Period. At any time following any closure of the Sub-Fund after the Launch Period, the Manager may also determine to re-open the Sub-Fund to subsequent subscriptions, without any prior notice to existing Unitholders. Notwithstanding the above, Unitholders may continue to realise their Units at any time, including after the Sub-Fund has been closed to subsequent subscriptions, in accordance with the procedures defined in this Appendix. **For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if the Sub-Fund is re-opened to subsequent subscriptions in the circumstances above.**

The base currency of the BEA Union Investment Asian Corporate Target Maturity Fund 2023 is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment Asian Corporate Target Maturity Fund 2023 is, on a best effort basis, to seek regular income from the close of the Launch Period up to the BEA Union Investment Asian Corporate Target Maturity Fund 2023's Maturity Date and seek to return the capital of the BEA Union Investment Asian Corporate Target Maturity Fund 2023 by investing primarily in Asian fixed income-related securities.

The BEA Union Investment Asian Corporate Target Maturity Fund 2023 aims to provide regular income by investing primarily (i.e. at least 70% of its Net Asset Value) in USD denominated debt securities that are issued or guaranteed by entities incorporated in Asia or corporations that have significant operations or assets in, or derive significant portion of revenue or profits from Asia. 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.

The BEA Union Investment Asian Corporate Target Maturity Fund 2023 aims to be fully invested in order to achieve its investment objectives and strategies, and intends to invest in debt securities that distribute regular coupons and have maturities on or before the Maturity Date of the Sub-Fund.

Debt securities may be issued or guaranteed by 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), 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) for purposes consistent with the investment objective of the Sub-Fund.

Debt securities in which the Sub-Fund will invest will not be subject to any minimum credit rating requirements. The Sub-Fund will normally invest at least 50% of its Net Asset Value in investment grade debt securities (rated as Baa3, or Prime for short-term debt securities below one year, or above by Moody's Investor Services, Inc. or equivalent rating by other recognised rating agencies). The Sub-Fund may also invest in below investment grade or non-rated debt securities that meet the standards as determined by the Manager.

The Sub-Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features including senior non-preferred debt and subordinated debt issued by financial institutions. These instruments may be subject to contingent write-down on the occurrence of trigger event(s).

The Sub-Fund may also invest less than 10% of its Net Asset Value in debt securities denominated in RMB and issued in Mainland China ("**Onshore Debt Securities**") through direct investment in the China interbank bond markets via Foreign Direct Access Regime and/or Bond Connect. Onshore Debt Securities in which the Sub-Fund may invest will not be subject to any duration or minimum credit rating requirements. The Sub-Fund may invest in investment grade (rated as AA- or above by a Mainland China credit rating agency), below investment grade or non-rated Onshore Debt Securities that meet the standards as determined by the Manager.

Although the Sub-Fund may invest substantially in debt securities related to China, the Sub-Fund may invest less than 30% of its Net Asset Value in debt securities denominated in RMB and issued outside of Mainland China (i.e. "Dim Sum" bonds). The Sub-Fund will have less than 30% aggregate exposure to investments denominated in RMB including Onshore Debt Securities and Dim Sum bonds.

While the Sub-Fund may invest in debt securities issued or guaranteed by governments, regional governments, municipal governments, government agencies, quasi-government organisations (in aggregate of less than 30% of the Sub-Fund's Net Asset Value), the Sub-Fund will not invest more than 10% of its Net Asset Value 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 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, it will be classified as non-rated.

The Sub-Fund aims to invest in debt securities that have maturities on or before the Maturity Date of the Sub-Fund. Proceeds received from instruments maturing before the Maturity Date shall be reinvested or held in term deposits, short-term debt instruments, US Treasury bills/notes, money market instruments, and other cash and cash equivalents at the Manager's discretion. Therefore, in the six-month period immediately preceding the Maturity Date, the Sub-Fund may invest more than 30% of its Net Asset Value in term deposits, short-term debt instruments, US Treasury bills/notes and/or money market instruments. Further, in the three-month period immediately preceding the Maturity Date, the Sub-Fund may invest more than 30% (and eventually up to 100%, depending on prevailing market conditions) of its Net Asset Value in cash or cash equivalents solely for the purpose of facilitating a timely realisation of the Sub-Fund's investments at market value, and in order to ensure that Unitholders receive their investment proceeds, as at the Maturity Date.

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 may invest less than 10% of its Net Asset Value in structured deposits or products. The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction on behalf of the Sub-Fund.

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

Term of the Sub-Fund

It is expected that the BEA Union Investment Asian Corporate Target Maturity Fund 2023 will have an investment period of up to approximately 3.5 calendar years. The BEA Union Investment Asian Corporate Target Maturity Fund 2023 will be terminated automatically at the end of the investment period, namely the Maturity Date, and Unitholders will be given one month's prior written notice of such termination. All Units of the BEA Union Investment Asian Corporate Target Maturity Fund 2023 will be compulsorily redeemed at the Maturity Date and proceeds will be distributed to Unitholders (who hold Units of the Sub-Fund as at the Maturity Date) according to the then Net Asset Value of the BEA Union Investment Asian Corporate Target Maturity Fund 2023. Any costs associated with such termination will be borne by the Sub-Fund. Costs associated with such termination are estimated to be approximately HK$100,000 and shall be amortised over the period from the close of launch period up to the Maturity Date.

Although Unitholders may realise their Units at any time before the Sub-Fund's Maturity Date in accordance with the procedures defined in this Appendix, they may be subject to a downward pricing adjustment of up to 3% on the Sub-Fund's NAV if net realisation on a particular day exceeds the predefined threshold as determined by the Manager from time to time. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. Unitholders should note the associated risks such as "Limited duration risk" and "Substantial realisations risk" for realisation before the Sub-Fund's maturity. Please refer to the sections headed "**Pricing Adjustment Mechanism ("swing pricing")**" and "**Risk Factors**" in this Appendix for details.

Use of Derivatives/Investment in Derivatives

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

Please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum for the general risks and the **"Risk Factors"** sub-section of this Appendix for specific risks relating to investment in the BEA Union Investment Asian Corporate Target Maturity Fund 2023.

Available Classes and Currency Denomination

Class A USD (Distributing), Class A HKD (Distributing), Class A AUD (Hedged) (Distributing), Class A RMB (Hedged) (Distributing), Class I USD (Distributing) and Class I HKD (Distributing) Units are currently available for issue to investors.

References to Class A Units include Class A USD (Distributing) and Class A HKD (Distributing) Units; references to Class A (Hedged) Units include Class A AUD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units; and references to Class I Units include Class I USD (Distributing) and Class I HKD (Distributing) Units.

References to Class A (Distributing) Units include Class A USD (Distributing) and Class A HKD (Distributing) Units; references to Class A (Hedged) (Distributing) Units include Class A AUD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units; and references to Class I (Distributing) Units include Class I USD (Distributing) and Class I HKD (Distributing) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as may be determined by the Manager.

Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A USD (Distributing) Units: US$10.00 per Unit Class A HKD (Distributing) Units: HK$100.00 per Unit Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A RMB (Hedged) (Distributing) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period (if applicable): at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").
Minimum Initial Investment Amount	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$1,000,000 Class I HKD (Distributing) Units: HK$10,000,000
Minimum Subsequent Investments Amount (only applicable where the BEA Union Investment Asian Corporate Target Maturity Fund 2023 is open (or has been re-opened) to subsequent subscriptions after the close of the Launch Period)	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$500,000 Class I HKD (Distributing) Units: HK$5,000,000
Minimum Holding	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$1,000,000 Class I HKD (Distributing) Units: HK$10,000,000
Minimum Realisation Amount	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$500,000 Class I HKD (Distributing) Units: HK$5,000,000

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedures for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	All Classes: up to 3%#
Realisation Charge (% of realisation price)	All Classes: Nil#

In order to mitigate any adverse impact to the Sub-Fund due to net subscriptions or realisations from Unitholders which exceed the pre-defined threshold as determined by the Manager from time to time, the Net Asset Value may be adjusted higher or lower by no more than 3% in certain situations. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. Such pricing adjustment will apply to all classes of Units of the Sub-Fund equally. All transactions on that Dealing Day will adopt the adjusted Net Asset Value. Adjusting the NAV upward (downward) results in investors paying more (receiving less) for each Unit. As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Further, investors may be subject to fiscal charges adjustment when they realise Units of the Sub-Fund.

For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Conversion Charge (% of issue price of new Units)	All Classes: Not applicable
Management Fee (% of Net Asset Value of the BEA Union Investment Asian Corporate Target Maturity Fund 2023)	Class A and Class A (Hedged) Units: 0.6% p.a. Class I Units: 0.4% p.a.
Trustee Fee (% of Net Asset Value of the BEA Union Investment Asian Corporate Target Maturity Fund 2023)	Current fee payable for all Classes: 0.045% p.a.
Registrar's Fee (% of Net Asset Value of the BEA Union Investment Asian Corporate Target Maturity Fund 2023)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% of Net Asset Value of the BEA Union Investment Asian Corporate Target Maturity Fund 2023)	All Classes: Nil
Distribution policy	*Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units: income and/or capital may be distributed **For details please refer to the section headed* ***"Distributions"*** *below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asian Corporate Target Maturity Fund 2023 amounted to approximately HK$100,000 and were borne by the BEA Union Investment Asian Corporate Target Maturity Fund 2023 and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Pricing Adjustment Mechanism ("swing pricing")

Please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum for details relating to swing pricing.

As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD (based on prevailing market exchange rates in consultation with the Trustee) or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Conversion of Units

Conversion of Units in BEA Union Investment Asian Corporate Target Maturity Fund 2023 into Units of other Sub-Funds of BEA Union Investment Series, conversion of Units in other Sub-Funds of BEA Investment Series into Units in BEA Union Investment Asian Corporate Target Maturity Fund 2023, and conversion of Units between the Unit classes within BEA Union Investment Asian Corporate Target Maturity Fund 2023 are not permitted.

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such in Units. It is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager upon request and at the following website: www.bea-union-investment.com (this website is neither authorised nor reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under **"Risk Factors"** below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

For each financial year, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**"). In respect of the interim distribution for one-month period ending on the last day of April 2023, it is the Manager's current intention to make such distribution together with the redemption proceeds at the Sub-Fund's maturity.

For Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD (based on prevailing market exchange rates in consultation with the Trustee). For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following the Interim Accounting Period or Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Period. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date at the Manager's website and payment of such distribution will be made within 10 Business Days from the Record Date.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

The Manager currently does not intend to make provisions for any Mainland China taxes payable by the Sub-Fund on interest from debt securities issued in Mainland China during the tax exemption period up to 6 November 2021 as provided by Caishui Circular No.108. Upon expiry of such period, a provision at a rate of 10% (or as otherwise advised by the Sub-Fund's tax adviser) together with the applicable VAT will be withheld on the interest income from debt securities issued in Mainland China (if the relevant WIT is not withheld at source). Based on professional and independent tax advice, no provision will be made on realized capital gain from debt securities issued in Mainland China. Upon the availability of a definitive tax assessment or the issue of announcements by the Mainland Chinese tax authorities, any sums withheld in excess of the tax liability shall be transferred to the Sub-Fund's accounts forming part of the Sub-Fund's assets. However, if the actual applicable tax is higher than that provided for by the Manager so that there is a short fall in the tax provision amount, the Sub-Fund may suffer from a fall in value as the Sub-Fund will ultimately have to bear the additional tax liabilities. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Valuation

Valuation Days for the BEA Union Investment Asian Corporate Target Maturity Fund 2023 are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risks

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Limited duration risk

The duration of the Sub-Fund is limited (i.e. up to the Maturity Date). Neither the income nor the capital of the Sub-Fund is guaranteed at or before maturity. Realisation of Units prior to the Maturity Date will be subject to the value of the portfolio of instruments held by the Sub-Fund. Therefore, realisation proceeds may be lower or higher than the investors' initial investments and there is no guarantee that the investor will receive the full amount of their original investment. There are risks that the Sub-Fund may not make any distribution and investors may not recoup the original amount invested in the Sub-Fund during the investment period as well as at the Maturity Date. Investors should also note the risks pertaining to the fixed time horizon of the Sub-Fund (see also "Reinvestment risk", "Substantial realisations risk", "Early termination risk" and "Limited subscription risk" below) in deciding whether investment in the Sub-Fund is suitable for them.

Deterioration in the liquidity of the Sub-Fund's underlying investments may also affect the Sub-Fund's ability to pay out realisation or termination proceeds to investors.

Reinvestment risk

The Sub-Fund's investments may mature prior to the Maturity Date (or investments may be sold prior to maturity if the Manager believes it will suffer a deterioration in credit quality over time) in which case any return of principal will need to be re-invested in replacement shorter-dated securities or deposited as cash. Shorter-dated securities or cash may not offer as high a return as the securities they replace.

The closer the Sub-Fund is to the Maturity Date, the greater the investment in replacement shorter-dated securities (with progressively shorter maturities) and cash.

In the three-month period immediately preceding the Maturity Date, the Sub-Fund may hold a significant amount of cash or cash equivalents (and eventually up to 100% in cash).

Substantial realisations risk

If there are substantial realisations within a short period of time, the Sub-Fund may need to liquidate some positions prematurely at an inopportune time or on unfavourable terms. The value of the Sub-Fund may therefore be adversely affected. In addition, the resulting decrease in the size of the Sub-Fund may immediately increase the ongoing charges of the Sub-Fund as a percentage of its Net Asset Value and may have an adverse impact on investors' return. Substantial realisations may cause the size of the Sub-Fund to shrink significantly and trigger the Sub-Fund to be early terminated (see "Early termination risk" below).

Realisations may also dilute the Sub-Fund's assets due to dealing and other costs associated with the trading of underlying securities. If net realisation exceeds the predefined threshold as determined by the Manager from time to time, the Manager may downward adjust the realisation price of the Sub-Fund in an attempt to minimize the potentially dilutive effects of dealing on the Sub-Fund's assets on such Dealing Day. Consequently, investors will redeem at a lower realisation price.

Investors should note that the occurrence of substantial realisations, which may in turn trigger a pricing adjustment, is not predictable. Consequently, it is not possible to accurately predict how frequent such pricing adjustments will need to be made. Adjustments may be greater than or less than the actual charges incurred. If the adjustments made are less than the actual charges incurred, the difference will be borne by the Sub-Fund. Investors should also be aware that pricing adjustment may not always, or fully, prevent the dilution of the Sub-Fund's assets.

Early termination risk

The Sub-Fund may be liquidated on the occurrence of certain events as set out in the section "**Termination of the Fund or any Sub-Fund**" in the main part of the Explanatory Memorandum (e.g. the net asset value of the Sub-Fund falls below HK$80 million). Unitholders will be given three months' prior written notice of such termination. Any costs associated with early termination will be borne by the Sub-Fund. Upon termination of the Sub-Fund, all the assets of the Sub-Fund will be realised and the net proceeds thereof which are available for distribution will be distributed to relevant Unitholder with reference to the number of Units held by them. Unitholders should note that the amount distributed to them may be less than the amount of their initial investment.

Limited subscription risk

With regard to the Sub-Fund's Launch Period, the Manager may at its discretion not to issue any Unit in the event that (i) the combined minimum aggregate investment of US$50 million (or such minimum amount as may be determined by the Manager at its sole discretion) is not received during the Launch Period; or (ii) the Manager, in its sole discretion is of the opinion that it is not in the best interests of investors or not commercially viable to proceed with such launch. In such case, investors will be informed and any subscription monies shall be promptly returned to them in full (without any interest) less any applicable bank charges, after the close of the Launch Period.

Investors should also note that, after the end of the Launch Period, the Manager may at its discretion, and without any prior notice, close the Sub-Fund to subsequent subscriptions. No subsequent subscription to the Sub-Fund will be accepted during such closure. However, the Manager retains the discretion to subsequently re-open the Sub-Fund to any subsequent subscription(s), without any prior notice to existing Unitholders. For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if the Sub-Fund is re-opened to subsequent subscriptions in the circumstances above.

Risks associated with debt securities

The Sub-Fund is subject to risks associated with debt securities. Please refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Downgrading risk", "Below investment grade and non-rated securities", "Credit/counterparty risk", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Risks of investing in convertible bonds", ""Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks", "Risks associated with China interbank bond market" and "Risks associated with debt instruments with loss-absorption features" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Concentration risk/Asian market risk

The Sub-Fund is also subject to concentration risk/Asian market risk, and may have substantial exposure in China. Please refer to the risk factors "Concentration risk/Asian market risk" and "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

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.

Currency risk

The Sub-Fund is also subject to currency risk. Please refer to the risk factor "Currency risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Distribution risk

It is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return.**

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Money market investments risk

Insofar as the Sub-Fund invests in term deposits, short-term debt instruments, US Treasury bills/notes and/or money market instruments and particularly within 6 months before the Maturity Date (depending on prevailing market conditions), investors should note that such investments are neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. The Sub-Fund does not guarantee a stable net asset value in such circumstances. The performance of the Sub-Fund may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, any existing investments in money market instruments by the Sub-Fund may effectively result in negative yields, which may adversely impact the net asset value of the Sub-Fund. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. Moreover, the holding of Units in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. There is no obligation for the Manager to redeem Units in the Sub-Fund at their issue price.

Currency hedging risk

The Sub-Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Where the Sub-Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum.

The BEA Union Investment Asian Corporate Target Maturity Fund 2023, due to its possible exposure to USD denominated debt securities which are concentrated in Asia, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asian Corporate Target Maturity Fund 2023 as a medium to high risk investment.

APPENDIX IX

BEA UNION INVESTMENT ASIAN BOND TARGET MATURITY FUND 2023

Introduction

BEA Union Investment Asian Bond Target Maturity Fund 2023 invests primarily 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-Fund will have an investment period of up to approximately 3.1 calendar years and will be terminated automatically at the end of the investment period, which is expected to be on or around 4 October 2023 (the "**Maturity Date**"). Around six months before its maturity, the Sub-Fund will make an early partial repayment (currently expected to be between 30% and 50% of the Sub-Fund's prevailing Net Asset Value) to Unitholders as part of the interim distribution for the relevant month. **Consequently making such early partial repayment will immediately, substantially and correspondingly reduce the Net Asset Value per Unit of the Sub-Fund but there will be no change in the number of Units held by Unitholders.** Although Unitholders may realise their Units at any time before the Sub-Fund's Maturity Date, they may be subject to a downward pricing adjustment of up to 3% on the Sub-Fund's NAV if net realisation on a particular day exceeds the predefined threshold as determined by the Manager from time to time for realisations before the Sub-Fund's maturity. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors.

Units of each unit class in the BEA Union Investment Asian Bond Target Maturity Fund 2023 will be offered to investors during the Launch Period at the Issue Price as may be determined by the Manager and agreed by the Trustee, exclusive of the preliminary charge (if any). The Launch Period of each unit class in the BEA Union Investment Asian Bond Target Maturity Fund 2023 will be such date or period as may be determined by the Manager.

The Manager may at its discretion, and without any prior notice, close the Sub-Fund to subsequent subscriptions after the Launch Period. At any time following any closure of the Sub-Fund after the Launch Period, the Manager may also determine to re-open the Sub-Fund to subsequent subscriptions, without any prior notice to existing Unitholders. Notwithstanding the above, Unitholders may continue to realise their Units at any time, including after the Sub-Fund has been closed to subsequent subscriptions, in accordance with the procedures defined in this Appendix. **For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if the Sub-Fund is re-opened to subsequent subscriptions in the circumstances above.**

The base currency of the BEA Union Investment Asian Bond Target Maturity Fund 2023 is US$.

Investment Objective and Policy

The investment objective of the BEA Union Investment Asian Bond Target Maturity Fund 2023 is, on a best effort basis, to seek regular income from the close of the Launch Period up to the BEA Union Investment Asian Bond Target Maturity Fund 2023's Maturity Date and to seek to return the capital of the BEA Union Investment Asian Bond Target Maturity Fund 2023 (through early partial repayment and at maturity) by investing primarily in Asian fixed income-related securities.

The BEA Union Investment Asian Bond Target Maturity Fund 2023 aims to provide regular income by investing primarily (i.e. at least 70% of its Net Asset Value) 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 debt securities as described above are hereinafter referred to as "**Debt Securities**". 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.

The BEA Union Investment Asian Bond Target Maturity Fund 2023 aims to be fully invested in order to achieve its investment objectives and strategies, and intends to invest in Debt Securities that distribute regular coupons and have maturities on or before the Maturity Date of the Sub-Fund.

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 also include asset-backed securities and mortgage-backed securities (in aggregate of not more than 20% 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) for purposes consistent with the investment objective of the Sub-Fund.

Debt Securities in which the Sub-Fund will invest will not be subject to any minimum credit rating requirements. The Sub-Fund will normally invest at least 40% of its Net Asset Value in investment grade Debt Securities (rated as Baa3, or Prime for short-term Debt Securities below one year, or above by Moody's Investor Services, Inc. or equivalent rating by other recognised rating agencies). The Sub-Fund may also invest substantially (i.e. up to 60% of its Net Asset Value) in below investment grade or non-rated Debt Securities that meet the standards as determined by the Manager.

The Sub-Fund may invest less than 30% of its Net Asset Value in debt instruments with loss-absorption features including senior non-preferred debt and subordinated debt issued by financial institutions. These instruments may be subject to contingent write-down on the occurrence of trigger event(s).

The Sub-Fund may also invest less than 10% of its Net Asset Value in debt securities denominated in RMB and issued in Mainland China ("**Onshore Debt Securities**") through direct investment in the China interbank bond markets via Foreign Direct Access Regime and/or Bond Connect. Onshore Debt Securities in which the Sub-Fund may invest will not be subject to any duration or minimum credit rating requirements. The Sub-Fund may invest in investment grade (rated as AA- or above by a Mainland China credit rating agency), below investment grade or non-rated Onshore Debt Securities that meet the standards as determined by the Manager.

Although the Sub-Fund may invest substantially in debt securities related to China, the Sub-Fund may invest less than 30% of its Net Asset Value in debt securities denominated in RMB and issued outside of Mainland China (i.e. "Dim Sum" bonds). The Sub-Fund will have less than 30% aggregate exposure to investments denominated in RMB including Onshore Debt Securities and Dim Sum bonds.

The Sub-Fund will not invest more than 10% of its Net Asset Value 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 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, it will be classified as non-rated.

The Sub-Fund aims to invest in Debt Securities that have maturities on or before the Maturity Date of the Sub-Fund. Proceeds received from instruments maturing before the Maturity Date shall be reinvested or held in term deposits, short-term debt instruments, US Treasury bills/notes, money market instruments, and other cash or cash equivalents at the Manager's discretion. Therefore, in the six-month period immediately preceding the Maturity Date, the Sub-Fund may invest more than 30% of its Net Asset Value in term deposits, short-term debt instruments, US Treasury bills/notes and/or money market instruments. Further, in the three-month period immediately preceding the Maturity Date, the Sub-Fund may invest more than 30% (and eventually up to 100%, depending on prevailing market conditions) of its Net Asset Value in cash or cash equivalents solely for the purpose of facilitating a timely realisation of the Sub-Fund's investments at market value, and in order to ensure that Unitholders receive their investment proceeds, as at the Maturity Date.

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 may invest less than 10% of its Net Asset Value in structured deposits or products. The Manager currently does not intend to enter into any securities financing transactions on behalf of the Sub-Fund. Subject to the prior approval of the SFC, the Sub-Fund may by giving to the Unitholders no less than one month's prior written notice engage in such transaction on behalf of the Sub-Fund.

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

Term of the Sub-Fund

It is expected that the BEA Union Investment Asian Bond Target Maturity Fund 2023 will have an investment period of up to approximately 3.1 calendar years. The BEA Union Investment Asian Bond Target Maturity Fund 2023 will be terminated automatically at the end of the investment period, namely the Maturity Date, and Unitholders will be given one month's prior written notice of such termination. All Units of the BEA Union Investment Asian Bond Target Maturity Fund 2023 will be compulsorily redeemed at the Maturity Date and proceeds will be distributed to Unitholders (who hold Units of the Sub-Fund as at the Maturity Date) according to the then Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2023. Any costs associated with such termination will be borne by the BEA Union Investment Asian Bond Target Maturity Fund 2023. Costs associated with such termination are estimated to be approximately HK$100,000 and shall be amortised over the period from the close of Launch Period up to the Maturity Date.

Early Partial Repayment in April 2023

In order to achieve its investment objectives and strategies, the BEA Union Investment Asian Bond Target Maturity Fund 2023 will invest in Debt Securities which may have a date to maturity shorter than or the same as its investment period.

It is expected by April 2023 (i.e. around six months preceding the Maturity Date), certain underlying investments may have matured before the respective Record Date (expected to be 14 April 2023) of the interim distribution period ending on the last day of March 2023. The proceeds from such matured securities will have to be re-invested in shorter-dated securities with potentially lower return or deposited as cash until the Maturity Date. For the purpose of mitigating such re-investment risk, the Sub-Fund will make an early partial repayment (currently expected to be between 30% and 50% of the Sub-Fund's prevailing Net Asset Value) to Unitholders as part of the interim distribution for the one-month period ending on the last day of March 2023. The portion of such early partial repayment arrangement is at the Manager's discretion depending on prevailing market conditions (e.g. availability of matured investments' proceeds, cash flow consideration, and quality of shorter-dated securities for re-investment). The early partial repayment will not incur additional cost to the Sub-Fund. While the Sub-Fund's total Net Asset Value will be reduced correspondingly after the early partial repayment, the Manager does not expect the impact to the Sub-Fund's ongoing charges to be significant given the key fixed costs have been accrued evenly and hence proportionately borne by investors throughout the tenor of the Sub-Fund.

The early partial repayment is for one time and Unitholders will be notified in advance (in March 2023). As part of the interim distribution, the early partial repayment will be made in accordance with the procedures defined under the heading "**Distributions**" in this Appendix. Unitholders whose names are entered on the register of Unitholders on the relevant Record Date (expected to be 14 April 2023) will be entitled to such payment. **Consequently making such early partial repayment will immediately, substantially and correspondingly reduce the Net Asset Value per Unit of the Sub-Fund but there will be no change in the number of Units held by Unitholders.** Details of the early partial repayment (and interim distribution, if any) will also be announced after the relevant Record Date and available from the Manager's website: www.bea-union-investment.com (this website has not been reviewed or authorized by the SFC).

Unitholders should note that while approximately between 30% and 50% of the Sub-Fund's prevailing NAV will be distributed to relevant Unitholders approximately six months before the Sub-Fund's maturity, there will be no change to the investment period of the Sub-Fund as a result of the early partial repayment and the Sub-Fund will be terminated automatically on the Maturity Date. As such, Unitholders should take note of the scheduled distributions within the investment period and the term of the Sub-Fund before deciding whether investment in the Sub-Fund is suitable for them.

Although Unitholders may realise their Units at any time before the Sub-Fund's Maturity Date in accordance with the procedures defined in this Appendix, they may be subject to a downward pricing adjustment of up to 3% on the Sub-Fund's NAV if net realisation on a particular day exceeds the predefined threshold as determined by the Manager from time to time. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. Unitholders should note the associated risks such as "Limited duration risk" and "Substantial realisations risk" for realisations before the Sub-Fund's maturity. Please refer to the sections headed "**Pricing Adjustment Mechanism ("swing pricing")**" and "**Risk Factors**" in this Appendix for details.

Use of Derivatives/Investment in Derivatives

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

Please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum for the general risks and the **"Risk Factors"** sub-section of this Appendix for specific risks relating to investment in the BEA Union Investment Asian Bond Target Maturity Fund 2023.

Available Classes and Currency Denomination

Class A USD (Distributing), Class A HKD (Distributing), Class A AUD (Hedged) (Distributing), Class A RMB (Hedged) (Distributing), Class I USD (Distributing) and Class I HKD (Distributing) Units are currently available for issue to investors.

References to Class A Units include Class A USD (Distributing) and Class A HKD (Distributing) Units; references to Class A (Hedged) Units include Class A AUD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units; and references to Class I Units include Class I USD (Distributing) and Class I HKD (Distributing) Units.

References to Class A (Distributing) Units include Class A USD (Distributing) and Class A HKD (Distributing) Units; references to Class A (Hedged) (Distributing) Units include Class A AUD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units; and references to Class I (Distributing) Units include Class I USD (Distributing) and Class I HKD (Distributing) Units.

Please note that Class I Units are only available to collective investment schemes, pension plans, segregated accounts or other types of investors that meet the criteria as required by the Manager.

Subscription and Realisation Details

Launch Period	The Launch Period of each unit class will be such period or date as may be determined by the Manager.
Issue Price (exclusive of preliminary charge, if any)	During the Launch Period: Class A USD (Distributing) Units: US$10.00 per Unit Class A HKD (Distributing) Units: HK$100.00 per Unit Class A AUD (Hedged) (Distributing) Units: AU$10.00 per Unit Class A RMB (Hedged) (Distributing) Units: RMB100.00 per Unit Class I Units and/or other additional unit classes (if any) will be issued at such issue price as the Manager shall determine. Following the Launch Period (if applicable): at a price calculated with reference to the Net Asset Value per Unit of the relevant class of Units as at the Valuation Point on the relevant Valuation Day in accordance with the valuation rules (as summarised in the main section of the Explanatory Memorandum under the section headed "**Valuation**").

Minimum Initial Investment Amount	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$1,000,000 Class I HKD (Distributing) Units: HK$10,000,000
Minimum Subsequent Investments Amount (only applicable where the BEA Union Investment Asian Bond Target Maturity Fund 2023 is open (or has been re-opened) to subsequent subscriptions after the close of the Launch Period)	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$500,000 Class I HKD (Distributing) Units: HK$5,000,000
Minimum Holding	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$1,000,000 Class I HKD (Distributing) Units: HK$10,000,000
Minimum Realisation Amount	Class A USD (Distributing) Units: US$10,000 Class A HKD (Distributing) Units: HK$100,000 Class A (Hedged) (Distributing) Units: US$10,000 (or its equivalent) Class I USD (Distributing) Units: US$500,000 Class I HKD (Distributing) Units: HK$5,000,000

Subscription monies and realisation proceeds will normally be paid in the class currency of the relevant class of Units provided that the Manager may pay realisation proceeds in the base currency of the Sub-Fund in exceptional circumstances, such as when there is insufficient class currency for currency conversion.

For details regarding the procedures for the subscriptions and realisations, see the main part of the Explanatory Memorandum under "**Purchase of Units**" and "**Realisation of Units**".

Fees

Preliminary Charge (% of issue price)	All Classes: up to 3%#
Realisation Charge (% of realisation price)	All Classes: Nil#

In order to mitigate any adverse impact to the Sub-Fund due to net subscriptions or realisations from Unitholders which exceed the pre-defined threshold as determined by the Manager from time to time, the Net Asset Value may be adjusted higher or lower by no more than 3% in certain situations. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. Such pricing adjustment will apply to all classes of Units of the Sub-Fund equally. All transactions on that Dealing Day will adopt the adjusted Net Asset Value. Adjusting the NAV upward (downward) results in investors paying more (receiving less) for each Unit. As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Further, investors may be subject to fiscal charges adjustment when they realise Units of the Sub-Fund.

For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Conversion Charge (% of issue price of new Units)	All Classes: Not applicable
Management Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2023)	Class A and Class A (Hedged) Units: 0.6% p.a. Class I Units: 0.4% p.a.
Trustee Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2023)	Current fee payable for all Classes: 0.045% p.a.
Registrar's Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2023)	0.015-0.05% p.a. subject to minimum of US$3,000 per annum
Holders Servicing Fee (% of Net Asset Value of the BEA Union Investment Asian Bond Target Maturity Fund 2023)	All Classes: Nil
Distribution policy	*Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units: income and/or capital may be distributed *For details please refer to the section headed **"Distributions"** below.*

Establishment Costs

The costs of establishment of the BEA Union Investment Asian Bond Target Maturity Fund 2023 amounted to approximately HK$100,000 and were borne by the BEA Union Investment Asian Bond Target Maturity Fund 2023 and deducted during the course of the first year following its launch.

Dealing Day and Dealing Deadline

Each Business Day shall be a Dealing Day.

The Dealing Deadline is 4:00 p.m. (Hong Kong time) on each Dealing Day.

In order for instructions for subscriptions, realisations, conversions and transfers to be dealt with on the same Dealing Day, such instructions must be received by the Authorised Distributor before the Dealing Deadline on the same Dealing Day. Instructions received after the Dealing Deadline or on a day which is not a Dealing Day will be carried forward and dealt with on the next Dealing Day.

Pricing Adjustment Mechanism ("swing pricing")

Please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum for details relating to swing pricing.

As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Payment of Realisation Proceeds

Realisation proceeds are normally paid in RMB for the RMB classes of Units. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to meet realisation requests of the RMB classes of Units, the Manager may pay realisation proceeds in USD (based on prevailing market exchange rates in consultation with the Trustee) or delay the payment of realisation proceeds. In any event, realisation proceeds will be paid within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for realisation of Units. For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Conversion of Units

Conversion of Units in BEA Union Investment Asian Bond Target Maturity Fund 2023 into Units of other Sub-Funds of BEA Union Investment Series, conversion of Units in other Sub-Funds of BEA Investment Series into Units in BEA Union Investment Asian Bond Target Maturity Fund 2023, and conversion of Units between the Unit classes within BEA Union Investment Asian Bond Target Maturity Fund 2023 are not permitted.

Distributions

The Manager has discretion as to whether or not to make any distribution and the frequency and amount of distributions. The Manager may at its discretion decide to make distributions in respect of Class A (Distributing), Class A (Hedged) (Distributing) and Class I (Distributing) Units out of income generated from the Sub-Fund's investments and/or capital that are attributable to such Units. It is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. While the Manager expects to be able to pay distributions from income generated by the Sub-Fund's investments, in the event that such income is insufficient to pay distributions as it declares, the Manager may in its discretion determine that such distributions may be paid from capital attributable to the relevant distributing Units. Composition of the distributions (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 Manager upon request and at the following website: www.bea-union-investment.com (this website is not authorised and reviewed by the SFC). Investors should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set out under **"Risk Factors"** below. The Manager may amend the distribution policy subject to SFC's prior approval and by giving not less than one month's notice to investors.

For each financial year, interim distributions (if any) will be distributed in respect of each one-month period ending on the last day of each calendar month from January to November of each year (each an "**Interim Accounting Date**"), and a final distribution (if any) will be distributed in respect of the one-month period ending on 31 December of each year (the "**Accounting Date**"). In respect of the interim distribution for one-month period ending on the last day of August 2023, it is the Manager's current intention to make such distribution together with the redemption proceeds at the Sub-Fund's maturity.

For Class A RMB (Hedged) (Distributing) Units, dividends are normally paid in RMB. Where the Sub-Fund is not able to get sufficient amounts of RMB under extreme market conditions to pay dividends in RMB, the Manager may pay dividends in USD (based on prevailing market exchange rates in consultation with the Trustee). For further details relating to the associated risks, please refer to the risk factor titled "RMB currency and conversion risks" under the heading "**Risk Factors**".

Unitholders whose names are entered on the register of Unitholders on the Record Date will be entitled to distribution (if any) declared in respect of the corresponding Interim Accounting Period or Accounting Period. The Record Date will be the 14th day of the month following the corresponding Interim Accounting Period or Accounting Period or such other day as the Manager may determine and notify to the Unitholders. If such day is not a Business Day, the Record Date will be the immediately preceding Business Day.

Payment of an interim distribution (if any) will be made within 12 weeks from an Interim Accounting Period. Payment of a final distribution (if any) will be made within two months from the Accounting Date. It is the current intention of the Manager that details of any distribution (whether by way of an interim or a final distribution) to be made will be announced within 7 Business Days from the relevant Record Date at the Manager's website and payment of such distribution will be made within 10 Business Days from the Record Date.

In respect of the interim distribution for the one-month period ending on the last day of March 2023, the Sub-Fund will make an early partial repayment to Unitholders as part of such interim distribution. Please refer to the section headed "**Early Partial Repayment in April 2023**" in this Appendix for details.

For details regarding distribution, see the main part of the Explanatory Memorandum under "**Distribution of Income**".

Mainland China Tax Provisions

For further details relating to Mainland China taxes and the associated risks, please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section.

The Manager currently does not intend to make provisions for any Mainland China taxes payable by the Sub-Fund on interest from debt securities issued in Mainland China during the tax exemption period up to 6 November 2021 as provided by Caishui Circular No.108. Upon expiry of such period, a provision at a rate of 10% (or as otherwise advised by the Sub-Fund's tax adviser) together with the applicable VAT will be withheld on the interest income from debt securities issued in Mainland China (if the relevant WIT is not withheld at source). Based on professional and independent tax advice, no provision will be made on realized capital gain from debt securities issued in Mainland China. Upon the availability of a definitive tax assessment or the issue of announcements by the Mainland Chinese tax authorities, any sums withheld in excess of the tax liability shall be transferred to the Sub-Fund's accounts forming part of the Sub-Fund's assets. However, if the actual applicable tax is higher than that provided for by the Manager so that there is a short fall in the tax provision amount, the Sub-Fund may suffer from a fall in value as the Sub-Fund will ultimately have to bear the additional tax liabilities. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged as a result of any shortfall of tax provision and will not have the right to claim any part of the overprovision (as the case may be).

Valuation

Valuation Days for the BEA Union Investment Asian Bond Target Maturity Fund 2023 are each Dealing Day and the Valuation Point is the close of the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the Launch Period.

Risk Factors

Investment risks

The Sub-Fund is subject to investment risk. Please refer to the risk factor "Investment risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Limited duration risk

The duration of the Sub-Fund is limited (i.e. up to the Maturity Date). Neither the income nor the capital of the Sub-Fund is guaranteed at or before maturity. Realisation of Units prior to the Maturity Date will be subject to the value of the portfolio of instruments held by the Sub-Fund. Therefore, realisation proceeds may be lower or higher than the investors' initial investments and there is no guarantee that the investor will receive the full amount of their original investment. There are risks that the Sub-Fund may not make any distribution and investors may not recoup the original amount invested in the Sub-Fund during the investment period as well as at the Maturity Date. Investors should also note the risks pertaining to the fixed time horizon of the Sub-Fund (see also "Reinvestment risk", "Risk associated with early partial repayment", "Substantial realisations risk", "Early termination risk" and "Limited subscription risk" below) in deciding whether investment in the Sub-Fund is suitable for them.

Deterioration in the liquidity of the Sub-Fund's underlying investments may also affect the Sub-Fund's ability to pay out realisation or termination proceeds to investors.

Reinvestment risk

The Sub-Fund's investments may mature prior to the Maturity Date (or investments may be sold prior to maturity if the Manager believes it will suffer a deterioration in credit quality over time) in which case any return of principal will need to be re-invested in replacement shorter-dated securities or deposited as cash. Shorter-dated securities or cash may not offer as high a return as the securities they replace.

The closer the Sub-Fund is to the Maturity Date, the greater the investment in replacement shorter-dated securities (with progressively shorter maturities) and cash.

In the three-month period immediately preceding the Maturity Date, the Sub-Fund may hold a significant amount of cash or cash equivalents (and eventually up to 100% in cash).

Risks associated with early partial repayment

The Sub-Fund will return approximately between 30% and 50% of its prevailing Net Asset Value to Unitholders around six months preceding the Maturity Date, from the principal received from underlying investments that matured before the respective Record Date (expected to be 14 April 2023) of the interim distribution period ending on the last day of March 2023. Consequently the Net Asset Value of the Sub-Fund will be immediately, substantially and correspondingly reduced while the cash level of the Sub-Fund will also fall temporarily. Although the remaining securities in the Sub-Fund will gradually mature before the Maturity Date, Unitholders should note that such early partial repayment (i.e. return of cash to Unitholders as interim distribution) may result in the Sub-Fund being temporarily concentrated with fewer underlying investments which may also affect the overall liquidity of the Sub-Fund.

While early partial repayment aims to mitigate the risk of re-investing the proceeds from matured securities to shorter-dated securities with potentially lower return, Unitholders should also note that as the Sub-Fund will no longer generate income from the funds distributed to investors under the early partial repayment, each of the remaining monthly distributions (after the early partial repayment is made) will be less than the previous monthly distributions received.

Upon receiving the early partial repayment, Unitholders should also note that they will be subject to various risks related to their respective investments when they reinvest proceeds from the early partial repayment in other investment vehicles and they may not be able to enjoy the same rate of return if they reinvest in such other investments.

Substantial realisations risk

If there are substantial realisations within a short period of time, the Sub-Fund may need to liquidate some positions prematurely at an inopportune time or on unfavourable terms. The value of the Sub-Fund may therefore be adversely affected. In addition, the resulting decrease in the size of the Sub-Fund may immediately increase the ongoing charges of the Sub-Fund as a percentage of its Net Asset Value and may have an adverse impact on investors' return. Substantial realisations may cause the size of the Sub-Fund to shrink significantly and trigger the Sub-Fund to be early terminated (see "Early termination risk" below).

Realisations may also dilute the Sub-Fund's assets due to dealing and other costs associated with the trading of underlying securities. If net realisation exceeds the predefined threshold as determined by the Manager from time to time, the Manager may downward adjust the realisation price of the Sub-Fund in an attempt to minimize the potentially dilutive effects of dealing on the Sub-Fund's assets on such Dealing Day. Consequently, investors will redeem at a lower realisation price.

Investors should note that the occurrence of substantial realisations, which may in turn trigger a pricing adjustment, is not predictable. Consequently, it is not possible to accurately predict how frequent such pricing adjustments will need to be made. Adjustments may be greater than or less than the actual charges incurred. If the adjustments made are less than the actual charges incurred, the difference will be borne by the Sub-Fund. Investors should also be aware that pricing adjustment may not always, or fully, prevent the dilution of the Sub-Fund's assets.

Early termination risk

The Sub-Fund may be liquidated on the occurrence of certain events as set out in the section "**Termination of the Fund or any Sub-Fund**" in the main part of the Explanatory Memorandum (e.g. the net asset value of the Sub-Fund falls below HK$80 million). Unitholders will be given three months' prior written notice of such termination. Any costs associated with early termination will be borne by the Sub-Fund. Upon termination of the Sub-Fund, all the assets of the Sub-Fund will be realised and the net proceeds thereof which are available for distribution will be distributed to relevant Unitholders with reference to the number of Units held by them. Unitholders should note that the amount distributed to them may be less than the amount of their initial investment.

Limited subscription risk

With regard to the Sub-Fund's Launch Period, the Manager may at its discretion not to issue any Unit in the event that (i) the combined minimum aggregate investment of US$50 million (or such minimum amount as may be determined by the Manager at its sole discretion) is not received during the Launch Period; or (ii) the Manager, in its sole discretion is of the opinion that it is not in the best interests of investors or not commercially viable to proceed with such launch. In such case, investors will be informed and any subscription monies shall be promptly returned to them in full (without any interest) less any applicable bank charges, after the close of the Launch Period.

Investors should also note that, after the end of the Launch Period, the Manager may at its discretion, and without any prior notice, close the Sub-Fund to subsequent subscriptions. No subsequent subscription to the Sub-Fund will be accepted during such closure. However, the Manager retains the discretion to subsequently re-open the Sub-Fund to any subsequent subscription(s), without any prior notice to existing Unitholders. For the avoidance of doubt, the Manager will not extend the investment period of the Sub-Fund even if the Sub-Fund is re-opened to subsequent subscriptions in the circumstances above.

Risks associated with debt securities

The Sub-Fund is subject to risks associated with debt securities. Investor should also note that the Sub-Fund may invest substantially 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 because of reduced credit worthiness, liquidity and greater chance of default. Please also refer to the risk factors "Interest rates", "Volatility and liquidity risk", "Downgrading risk", "Below investment grade and non-rated securities", "Credit/counterparty risk", "Sovereign debt risk", "Risks associated with asset backed securities and mortgage backed securities", "Valuation risk", "Credit rating risk", "Risks of investing in convertible bonds", ""Dim Sum" bond (i.e. bonds issued outside of Mainland China but denominated in RMB) market risks", "Risks associated with China interbank bond market" and "Risks associated with debt instruments with loss-absorption features" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Concentration risk/Asian market risk

The Sub-Fund is also subject to concentration risk/Asian market risk, and may have substantial exposure related to China. Please refer to the risk factors "Concentration risk/Asian market risk" and "China market risk" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Repatriation risk in emerging markets

The Sub-Fund may invest in securities in jurisdictions which impose control or restrictions on foreign exchange and repatriation of capital. Exchange control regulations and any changes in such regulations may cause difficulties in the repatriation of funds. Dealings in the Sub-Fund may be suspended if the Sub-Fund is unable to repatriate funds for the purpose of making payments on the realisation of units. Please also refer to the risk factor "Emerging markets" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Currency risk

The Sub-Fund is also subject to currency risk. Please refer to the risk factor "Currency risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Derivative risk

The Sub-Fund is also subject to derivative risk. Please refer to the risk factor "Derivative and structured product risk" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Distribution risk

It is the Manager's current intention and discretion to distribute at least 85% of the income generated from the Sub-Fund's investments attributable to the relevant distributing Units. However, there is no assurance on such distribution or the distribution rate or dividend yield. **A positive distribution yield also does not imply a positive return.**

Effect of distribution out of capital

The Sub-Fund is also subject to the effect of distribution out of capital. Please refer to the risk factor "Effect of distribution out of capital" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

Money market investments risk

Insofar as the Sub-Fund invests in term deposits, short-term debt instruments, US Treasury bills/notes and/or money market instruments and particularly within 6 months before the Maturity Date (depending on prevailing market conditions), investors should note that such investments are neither insured nor guaranteed by any government, government agencies or government-sponsored agencies or any bank guarantee fund. The Sub-Fund does not guarantee a stable net asset value in such circumstances. The performance of the Sub-Fund may be affected by changes in money market rates, economic and market conditions and in legal, regulatory and tax requirements. In a low interest rate environment or during adverse market conditions, any existing investments in money market instruments by the Sub-Fund may effectively result in negative yields, which may adversely impact the net asset value of the Sub-Fund. The Sub-Fund is not subject to the supervision of the Hong Kong Monetary Authority. Moreover, the holding of Units in the Sub-Fund is not the same as placing funds on deposit with a bank or deposit-taking company. There is no obligation for the Manager to redeem Units in the Sub-Fund at their issue price.

Currency hedging risk

The Sub-Fund is also subject to currency hedging risk. Please refer to the risk factor "Hedging" under the heading **"Risk Factors"** in the main part of the Explanatory Memorandum.

Where the Sub-Fund enter into the hedging transactions, the costs of the hedging transactions will be reflected in the Net Asset Value of the Currency Hedged class Units (as defined in the main part of the Explanatory Memorandum) and therefore, an investor of such Currency Hedged class Units 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 units 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 units against a decrease in the value of the Sub-Fund's base currency relative to the class currency of the currency hedged class units, it may also preclude investors from benefiting from an increase in the value of the Sub-Fund's base currency.

RMB currency and conversion risks

The Sub-Fund is also subject to RMB currency and conversion risks. Please also refer to the risk factor "RMB currency and conversion risks" under the heading "**Risk Factors**" in the main part of the Explanatory Memorandum.

For further details relating to the above, please refer to the section headed **"Risk Factors"** in the main part of the Explanatory Memorandum.

The BEA Union Investment Asian Bond Target Maturity Fund 2023, due to its possible exposure to USD denominated debt securities which are concentrated in Asia, has a medium to high risk profile in terms of fluctuations in the value of its assets. Investors should regard the BEA Union Investment Asian Bond Target Maturity Fund 2023 as a medium to high risk investment.

ANNEX A

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (collectively the "Stock Connects")

The Shanghai-Hong Kong Stock Connect is a securities trading and clearing links program developed by Hong Kong Exchanges and Clearing Limited ("**HKEX**"), Shanghai Stock Exchange ("**SSE**") and China Securities Depositary and Clearing Corporation Limited ("**ChinaClear**") and the Shenzhen-Hong Kong Stock Connect is a securities trading and clearing links program developed by HKEX, Shenzhen Stock Exchange ("**SZSE**") and ChinaClear. The aim of Stock Connects is to achieve mutual stock market access between Mainland China and Hong Kong.

The Shanghai-Hong Kong Stock Connect comprises a Northbound Shanghai Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shanghai Trading Link, Hong Kong and overseas investors (including the relevant Sub-Funds), through their Hong Kong brokers and a securities trading service company established by The Stock Exchange of Hong Kong Limited ("**SEHK**"), may be able to trade eligible China A-Shares listed on the SSE by routing orders to SSE.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Shenzhen Trading Link and a Southbound Hong Kong Trading Link. Under the Northbound Shenzhen Trading Link, Hong Kong and overseas investors (including the relevant Sub-Funds), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible China A-Shares listed on the SZSE by routing orders to SZSE.

Eligible securities

Under the Shanghai-Hong Kong Stock Connect, the Sub-Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SSE (i.e. "**SSE Securities**"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on SEHK, except the following:

- SSE-listed shares which are not traded in RMB; and
- SSE-listed shares which are included in the "risk alert board".

Under the Shenzhen-Hong Kong Stock Connect, the Sub-Funds, through their Hong Kong brokers may trade certain eligible shares listed on the SZSE (i.e. "**SZSE Securities**"). These include all constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB6 billion, and all SZSE-listed A-Shares which have corresponding H-Shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert board" or under delisting arrangement.

At the initial stage of the Shenzhen-Hong Kong Stock Connect, investors eligible to trade shares that are listed on the ChiNext Board of SZSE under the Northbound Shenzhen Trading Link will be limited to institutional professional investors as defined in the relevant Hong Kong rules and regulations.

It is expected that the lists of eligible securities for the Stock Connects will be subject to review.

Trading quota

Trading under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect will be subject to a daily quota ("**Daily Quota**"). Northbound Shanghai Trading Link and Northbound Shenzhen Trading Link will be respectively subject to a separate set of Daily Quota.

The Daily Quota limits the maximum net buy value of cross-boundary trades under the Stock Connects each day. The Northbound Daily Quota is currently set at RMB13 billion for each of the Stock Connects.

Settlement and custody

The Hong Kong Securities Clearing Company Limited ("**HKSCC**"), a wholly-owned subsidiary of HKEX, and ChinaClear will be responsible for the clearing, settlement and the provision of depository, nominee and other related services of the trades executed by their respective market participants and investors.

The China A-Shares traded through Stock Connects are issued in scripless form, and investors will not hold any physical China A-Shares. Hong Kong and overseas investors who have acquired SSE Securities or SZSE Securities through Northbound trading should maintain the SSE Securities or SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Corporate actions and shareholders' meetings

Notwithstanding the fact that HKSCC does not claim proprietary interests in the SSE Securities and SZSE Securities held in its omnibus stock accounts in ChinaClear, ChinaClear as the share registrar for SSE and SZSE listed companies will still treat HKSCC as one of the shareholders when it handles corporate actions in respect of such SSE and SZSE securities. The relevant CSRC regulations and ChinaClear rules generally recognise the Hong Kong and overseas investors as the ultimate owners having beneficial ownership in the SSE Securities and SZSE Securities traded via the Stock Connects.

HKSCC will monitor the corporate actions affecting SSE Securities and SZSE Securities and keep the relevant brokers or custodians participating in CCASS ("**CASS participants**") informed of all such corporate actions that require CCASS participants to take steps in order to participate in them.

SSE-/SZSE-listed companies usually announce information regarding their annual general meetings/extraordinary general meetings about two to three weeks before the meeting date. A poll is called on all resolutions for all votes. HKSCC will advise the CCASS participants of all general meeting details such as meeting date, time, venue and the number of resolutions.

Trading fees

Under the Stock Connects, Hong Kong and overseas investors will be subject to the fees and levies imposed by SSE, SZSE, ChinaClear, HKSCC or the relevant Mainland Chinese authority when they trade and settle SSE Securities and SZSE Securities. Further information about the trading fees and levies is available online at the website:
http://www.hkex.com.hk/eng/csm/index.htm

Investor compensation

The relevant Sub-Fund's investments through Northbound trading under Stock Connects will not be covered by Hong Kong's Investor Compensation Fund.

Hong Kong's Investor Compensation Fund is established to pay compensation to investors of any nationality who suffer pecuniary losses as a result of default of a licensed intermediary or authorised financial institution in relation to exchange-traded products in Hong Kong.

Since default matters in Northbound trading via Stock Connects do not involve products listed or traded in SEHK or Hong Kong Futures Exchange Limited, they will not be covered by the Investor Compensation Fund.

On the other hand, since the relevant Sub-Fund is carrying out Northbound trading through securities brokers in Hong Kong but not Mainland Chinese brokers, therefore they are not protected by the China Securities Investor Protection Fund (中國投資者保護基金) in Mainland China.

Further information about the Stock Connects is available online at the website:
http://www.hkex.com.hk/eng/csm/index.htm

ANNEX B

China Interbank Bond Market

Overview

Offshore institutional investors (such as the relevant Sub-Fund) can invest in Mainland China's interbank bond markets ("**China Interbank Bond Market**") via the Foreign Direct Access Regime (as defined below) and/or the Bond Connect (as defined below).

Investment in China Interbank Bond Market via Foreign Direct Access Regime

Pursuant to the "Announcement (2016) No 3" issued by the People's Bank of China ("**PBOC**") (中國人民銀行公告 [2016]第3號) on 24 February 2016, offshore institutional investors can invest in China Interbank Bond Market ("**Foreign Direct Access Regime**") subject to other rules and regulations as promulgated by the Mainland Chinese authorities, i.e., PBOC and the State Administration of Foreign Exchange ("**SAFE**"). Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the "Implementation Rules for Filing by Offshore Institutional Investors for Investment in Interbank Bond Markets" (境外機構投資者投資銀行間債券市場備案管理實施細則) issued by the Shanghai Head Office of PBOC on 27 May 2016;

(ii) the "Circular concerning the Offshore Institutional Investors' Investment in Interbank bond market in relation to foreign currency control" (國家外匯管理局關於境外機構投資者投資銀行間債券市場有關外匯管理問題的通知) issued by SAFE on 27 May 2016; and

(iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, offshore institutional investors who wish to invest directly in China Interbank Bond Market may do so via an onshore settlement agent, who will be responsible for making the relevant filings and account opening with the relevant authorities. There is no quota limitation.

In terms of fund remittance, offshore investors (such as the relevant Sub-Fund) may remit investment principal in RMB or foreign currency into Mainland China for investing in the China Interbank Bond Market. An investor will need to remit investment principal matching at least 50% of its anticipated investment size within nine months after the completion of filing with the Shanghai Head Office of PBOC, or else an updated filing will need to be made through the onshore settlement agent. For repatriation, where the Sub-Fund repatriates funds out of Mainland China, the ratio of RMB to foreign currency ("**Currency Ratio**") should generally match the original Currency Ratio when the investment principal was remitted into Mainland China, with a maximum permissible deviation of 10%.

Investment in China Interbank Bond Market via Northbound Trading Link under Bond Connect

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China ("**Bond Connect**") established by China Foreign Exchange Trade System & National Interbank Funding Centre ("**CFETS**"), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Bond Connect is governed by rules and regulations as promulgated by the Mainland Chinese authorities. Such rules and regulations may be amended from time to time and include (but are not limited to):

(i) the "Interim Measures for the Administration of Mutual Bond Market Access between Mainland China and Hong Kong (Decree No.1 [2017])" (內地與香港債券市場互聯互通合作管理暫行辦法(中國人民銀行令[2017]第1號)) issued by the PBOC on 21 June 2017;

(ii) the "Guide on Registration of Overseas Investors for Northbound Trading in Bond Connect" (中國人民銀行上海總部"債券通"北向通境外投資者准入備案業務指引) issued by the Shanghai Head Office of PBOC on 22 June 2017; and

(iii) any other applicable regulations promulgated by the relevant authorities.

Under the prevailing regulations in Mainland China, eligible offshore investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market through the northbound trading of Bond Connect ("**Northbound Trading Link**"). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible offshore investors are required to appoint the CFETS or other institutions recognised by the PBOC as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in Mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible offshore investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Mainland China tax implications

By investing in debt securities via the China Interbank Bond Market, a Sub-Fund may be subject to withholding and other taxes imposed in Mainland China. Please refer to the risk factor entitled "Mainland China tax considerations" under the "**Risk Factors**" section for details.

Currently there is no specific guidance imposed by the Mainland Chinese tax authorities on the treatment of income tax and other tax categories payable in respect of trading in China interbank bond market by offshore institutional investors.

In light of the above-mentioned uncertainty and in order to meet the potential tax liability for gains on disposal of debt securities via the China Interbank Bond Market, the Manager reserves the right to vary the provision for the withholding tax on such gains or income.

Upon any future resolution of the above-mentioned uncertainty or further changes to the tax law or policies, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision (if any) as they consider necessary. The amount of any such tax provision will be disclosed in the accounts of the Sub-Fund.

Unitholders should seek their own tax advice on their own tax position with regard to their investment in the relevant Sub-Fund.

SUMMARY OF EXPENSES AND CHARGES

	Management Fee				Trustee Fee				Holders Servicing Fee			
	Class A/ Class A (Hedged)	Class H	Class I	Class P	Class A/ Class A (Hedged)	Class H	Class I	Class P	Class A/ Class A (Hedged)	Class H	Class I	Class P
BEA Union Investment Asian Bond and Currency Fund	1.20% p.a.	1.20% p.a.	0.70% p.a.	N/A	0.125% p.a.	0.125% p.a.	0.125% p.a.	N/A	Nil	Nil	Nil	N/A
BEA Union Investment China A-Share Equity Fund	1. 75% p.a.	N/A	1.50% p.a.	1.75% p.a.	0.175% p.a.	N/A	0.175% p.a.	0.175% p.a.	Nil	N/A	Nil	Nil
BEA Union Investment Asia Pacific Multi Income Fund	1.40% p.a.	N/A	0.80% p.a.	N/A	0.15% p.a.	N/A	0.15% p.a.	N/A	Nil	N/A	Nil	N/A
BEA Union Investment China High Yield Income Fund	1.20% p.a.	N/A	0.8% p.a.	1.10% p.a.	0.15% p.a.	N/A	0.15% p.a.	0.15% p.a.	Nil	N/A	Nil	Nil
BEA Union Investment Asian Strategic Bond Fund	1.0% p.a.	N/A	0.7% p.a.	0.9% p.a.	0.125% p.a.	N/A	0.125% p.a.	0.125% p.a.	Nil	N/A	Nil	Nil
BEA Union Investment Asian Opportunities Fund	1.5% p.a.	N/A	1.0% p.a.	N/A	0.15% p.a.	N/A	0.15% p.a.	N/A	Nil	N/A	Nil	N/A
BEA Union Investment Asian Bond Target Maturity Fund 2022	0.6% p.a.	N/A	0.4% p.a.	N/A	0.125% p.a.	N/A	0.125% p.a.	N/A	Nil	N/A	Nil	N/A
BEA Union Investment Asian Corporate Target Maturity Fund 2023	0.6% p.a.	N/A	0.4% p.a.	N/A	0.045% p.a.	N/A	0.045% p.a.	N/A	Nil	N/A	Nil	N/A
BEA Union Investment Asian Bond Target Maturity Fund 2023	0.6% p.a.	N/A	0.4% p.a.	N/A	0.045% p.a.	N/A	0.045% p.a.	N/A	Nil	N/A	Nil	N/A

Notes: (1) The rate of the management fee in respect of Class A, Class A (Hedged), Class H, Class I and/or Class P Units may be increased up to or towards a maximum rate of 2.0% p.a. on giving not less than one month's notice (or such other notice as may be approved by the SFC) to affected Unitholders.

(2) The rate of the trustee fee in respect of Class A, Class A (Hedged), Class H, Class I and/or Class P Units may be increased up to or towards a maximum rate of 1.0% p.a. on giving not less than one month's notice (or such other notice as may be approved by the SFC) to affected Unitholders.

Registrar's Fee	0.015 – 0.05% p.a. of the Net Asset Value of each Sub-Fund, subject to minimum of US$3,000 per annum for each Sub-Fund.
Preliminary Charge	For Class A and Class A (Hedged) Units – up to 5% of the issue price of such Units (except for BEA Union Investment Asian Bond Target Maturity Fund 2022# and BEA Union Investment Asian Corporate Target Maturity Fund 2023# and BEA Union Investment Asian Bond Target Maturity Fund 2023#, which will be up to 3% of the issue price of such Units) For Class H Units – up to 5% of the issue price of such Units For Class I Units – up to 3% of the issue price of such Units (except for BEA Union Investment Asian Bond and Currency Fund and BEA Union Investment China A-Share Equity Fund, which will be nil) For Class P Units – up to 5% of the issue price of such Units
Realisation Charge	For each of the Sub-Funds (other than for BEA Union Investment Asian Bond Target Maturity Fund 2022^#, BEA Union Investment Asian Corporate Target Maturity Fund 2023+# and BEA Union Investment Asian Bond Target Maturity Fund 2023+#): For Class A, Class A (Hedged), Class H and Class P Units (other than for BEA Union Investment China A-Share Equity Fund*) – 0.5% of the realisation price of such Units, but currently waived. For Class I Units (other than for BEA Union Investment China A-Share Equity Fund*) – 0.5% of the realisation price of such Units for holding period of less than 1 year; and nil for holding period of 1 year or more. ^For all classes of Units for BEA Union Investment Asian Bond Target Maturity Fund 2022 – 1.5% of the realisation price of such Units +For all classes of Units for BEA Union Investment Asian Corporate Target Maturity Fund 2023 and BEA Union Investment Asian Bond Target Maturity Fund 2023 – Nil. *For Class I and Class P Units for BEA Union Investment China A-Share Equity Fund – Nil.
Charges on converting between Sub-Funds	For all classes of Units – currently, the aggregate of the realisation charge and preliminary charge payable on a conversion from one Sub-Fund to another Sub-Fund will not exceed 2% of the issue price of the new Units.
Operating Expenses	The Sub-Funds will bear the operating expenses of the Fund in proportion to their respective Net Asset Values or in such other manner as the Manager with the approval of the Trustee shall consider fair. Such expenses are summarised under the section headed "**EXPENSES AND CHARGES**" and include audit and legal fees and regulatory fees.
Establishment Costs	Each Sub-Fund will bear the costs and expenses incurred by the Manager and Trustee in its establishment. Details on the approximate establishment costs of each Sub-Fund are set out in the relevant Appendix.

In order to mitigate any adverse impact to the Sub-Fund due to net subscriptions or realisations from Unitholders which exceed the pre-defined threshold as determined by the Manager from time to time, the Net Asset Value may be adjusted higher or lower by no more than 3% in certain situations. The rate of adjustment may be increased beyond the aforesaid percentage during periods of exceptional market circumstances where it is in the best interests of investors. Such pricing adjustment will apply to all classes of Units of the Sub-Fund equally. All transactions on that Dealing Day will adopt the adjusted Net Asset Value. Adjusting the NAV upward (downward) results in investors paying more (receiving less) for each Unit. As the Sub-Fund is only open for subsequent subscription during the re-opened period (after the Sub-Fund's inception), in practice any upward adjustment to the Sub-Fund's NAV may only take place during such period, but not during any other period. Notwithstanding the above, Unitholders may continue to realise their Units at any time in accordance with the procedures defined in this Appendix, consequently the NAV may be adjusted downward at any time after the Sub-Fund's inception (including the re-opened period) and before the Sub-Fund's maturity.

Further, investors may be subject to fiscal charges adjustment when they realise Units of the Sub-Fund.

For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Investors may be subject to pricing adjustments when they subscribe, realise or convert (if applicable) Units of the Sub-Funds. For details, please refer to the sub-section "**Adjustment of Prices**" under the section headed "**VALUATION**" in the main part of the Explanatory Memorandum.

Further details in respect of the costs and expenses incurred in the establishment of the Fund and Sub-Funds are summarised in the section headed "**Expenses and Charges**".

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