

30 April 2019

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

**Quick facts**

<b>Manager:</b>	BEA Union Investment Management Limited
<b>Trustee:</b>	Bank of East Asia (Trustees) Limited
<b>Ongoing charges over a year:</b>	Class A USD Units: 1.86% <sup>^</sup> Class A HKD, Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged), Class A NZD (Hedged) and Class A RMB (Hedged) Units: 1.86% p.a.*
<b>Dealing frequency:</b>	Daily (Hong Kong business days)
<b>Base currency:</b>	US\$
<b>Dividend policy:</b>	Class A USD (Accumulating), Class A HKD (Accumulating), Class A RMB (Accumulating), Class A AUD (Hedged) (Accumulating), Class A CAD (Hedged) (Accumulating), Class A GBP (Hedged) (Accumulating), Class A NZD (Hedged) (Accumulating) and Class A RMB (Hedged) (Accumulating) Units: No dividends will be declared or distributed. Class A USD (Distributing), Class A HKD (Distributing), Class A RMB (Distributing), Class A AUD (Hedged) (Distributing), Class A CAD (Hedged) (Distributing), Class A GBP (Hedged) (Distributing), Class A NZD (Hedged) (Distributing) and Class A RMB (Hedged) (Distributing) Units: Monthly distributions, if any, are discretionary and may be paid out of income and/or capital. Making distributions will immediately reduce the net asset value of the relevant class of units.
<b>Financial year end of this Sub-Fund:</b>	31 December
<b>Minimum investment:</b>	Class A Units: US\$: US\$2,000 initial, US\$1,000 additional HK\$: HK\$10,000 initial, HK\$5,000 additional Class A RMB, Class A AUD (Hedged), Class A CAD (Hedged), Class A GBP (Hedged), Class A NZD (Hedged) and Class A RMB (Hedged) Units: US\$2,000 initial (or its equivalent), US\$1,000 additional (or its equivalent)

<sup>^</sup> This figure is based on the ongoing expenses for the period ended 31 December 2018 and may vary from year to year.

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

## What is this product?

BEA Union Investment Asia Pacific Equity Dividend Fund (the "Sub-Fund") is a sub-fund of BEA Union Investment Series (the "Fund"), which is a unit trust established as an umbrella fund under the laws of Hong Kong.

## Objective and Investment Strategy

### Objective

The investment objective of the Sub-Fund is to seek medium to long term capital growth and dividend income by primarily (i.e. at least 70% of its non-cash assets) investing in equity securities that are either (a) traded in the Asia Pacific region or (b) issued by entities incorporated in the Asia Pacific region or have significant operations or assets in, or derive significant portion of revenue or profits from the Asia Pacific region. The equity securities as described above, which may include high dividend stocks, are hereinafter referred to as "Equity Securities". The Asia Pacific region includes emerging market countries as well as developed countries. 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.

### Strategy

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. It is the current intention of the Manager that 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. The Sub-Fund may also invest less than 30% of its assets in unlisted equity funds (in compliance with 7.11 to 7.11D of SFC's Code on Unit Trusts and Mutual Funds).

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 may also hold less than 30% of its assets in cash or cash equivalents.

The Manager may acquire warrants, options and currency forward contracts for hedging purposes only. The Manager may also acquire financial futures contracts for hedging and investment purposes so long as it complies with the investment policy and restrictions of the Sub-Fund and in compliance with Chapter 7 of SFC's Code on Unit Trusts and Mutual Funds. The net aggregate value of contract prices in respect of financial futures contracts entered into other than for hedging may not exceed 20% of the total net asset value of the Sub-Fund.

The Manager currently does not intend to enter into any securities lending, repurchase or reverse repurchase transactions, or other similar over-the-counter transactions on behalf of the Sub-Fund.

## What are the key risks?

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

### 1. Investment risk

- The Sub-Fund's investment portfolio may fall in value and therefore your investment in the Sub-Fund may suffer losses. There is no guarantee of the repayment of principal.

## **2. Equity markets risk**

- The Sub-Fund's investment in equity securities is subject to general market risks, whose value may fluctuate due to various factors, such as changes in investment sentiment, political and economic conditions and issuer-specific factors.
- To achieve the investment objective, the Sub-Fund may invest in high dividend stocks. There is no guarantee that dividends will be declared by such companies. Also investors should not expect the dividend policy of such companies is tantamount to the dividend policy of the Sub-Fund.

## **3. Concentration risk/Asian Pacific market risk**

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

## **4. Emerging markets risk**

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

## **5. Risks associated with Stock Connects**

- The relevant rules and regulations on Stock Connects are subject to change which may have potential retrospective effect. The programme is subject to quota limitations. Where a suspension in the trading through the Stock Connects is effected, the Sub-Fund's ability to invest in China A-Shares or access the PRC market through the programme will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective could be negatively affected.

## **6. Risk associated with small-capitalisation/mid-capitalisation companies**

- The stock of small-capitalisation/mid-capitalisation companies may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger capitalisation companies in general.

## **7. Currency risk**

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

## **8. Derivative risk**

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

## **9. 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.

## **10. 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 the Sub-Fund. Investors should note that the 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. Such distribution may result in an immediate reduction of the net asset value per Unit.

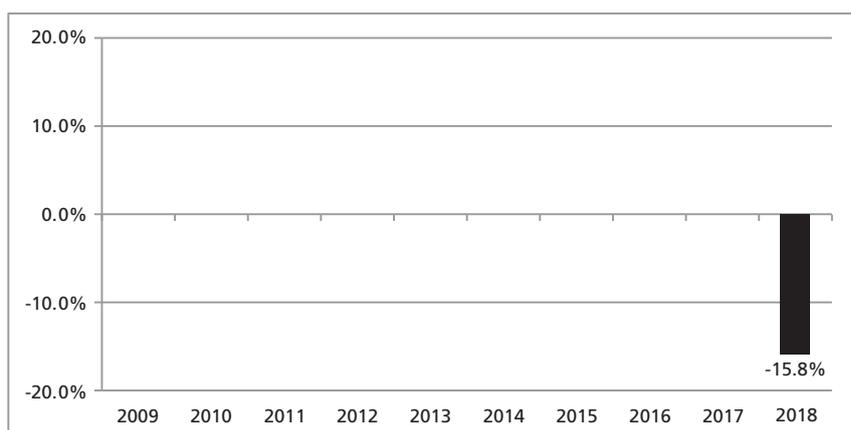
## **11. Currency hedging risk**

- Adverse exchange rate fluctuations between the base currency of the Sub-Fund and the class currency of the currency hedged class units may result in a decrease in return and/or loss of capital for unitholders. Over-hedged or under-hedged positions may arise and there can be no assurance that these currency hedged class units will be hedged at all times or that the Manager will be successful in employing the hedge.
- The costs of the hedging transactions will be reflected in the net asset value of the currency hedged class units 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.

## **12. RMB currency and conversion risks**

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

## How has the Sub-Fund performed?



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

## Is there any guarantee?

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

## What are the fees and charges?

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

### Charges which may be payable by you

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

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

### Ongoing fees payable by the Sub-Fund

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

	<b>Annual rate (as a % of the Sub-Fund's value)</b>
Management Fee	Class A Units: 1.5% p.a.*
Trustee Fee	0.15% p.a.*
Performance Fee	N/A
Administration Fee	N/A
Registrar's Fee	0.015% – 0.05% p.a. subject to minimum of US\$3,000 p.a.
Holders Servicing Fee	Class A Units: Nil*

### Other fees

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

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

### Additional Information

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

### Important

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

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