

# Annual Report (Audited)

For the period from 30 September 2021 (date of commencement)  
to 31 December 2022

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## **BU INVESTMENT SERIES OFC**

**BU Asia Pacific Flexi Allocation Fund**

**BU China Gateway Fund**

**BU China Phoenix Fund**

**BU Global Flexi Allocation Fund**

**BU RMB Core Bond Fund**

## **BU INVESTMENT SERIES OFC**

For the period from 30 September 2021  
(date of commencement) to 31 December 2022

<b>CONTENTS</b>	<b>PAGE(S)</b>
MANAGER'S REPORT	1-2
CUSTODIAN'S REPORT TO THE SHAREHOLDERS	3
INDEPENDENT AUDITOR'S REPORT	4-5
STATEMENT OF ASSETS AND LIABILITIES	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS	8-11
CASH FLOW STATEMENT	12-13
NOTES TO THE FINANCIAL STATEMENTS	14-51
PORTFOLIO STATEMENT	52-62
STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS	63-65
PERFORMANCE RECORD	66-68
INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVES	69
ADMINISTRATION	70

## BU INVESTMENT SERIES OFC

### MANAGER'S REPORT

#### Market Commentary

##### U.S. Equity

The US market was dominated by inflation, rate hikes and recessionary worries in 2022. To curb a 40-year high inflation fuelled by the pandemic, the Fed pledged to lower it by raising interest rates. Last year alone, the central bank hiked rates seven times. After hitting a peak of 9.1% in June, US inflation closed out in 2022 at 6.5%. Back-to-back cumulative increase in rates stoked market feared that the Fed might have gone too far, choking economic growth and pushing the country into a recession. Lingering recession worries pushed short-term US treasury yields higher, leaving the yield curve inverted most of the time. Higher interest rates, on the other hand, pushed the greenback substantially higher, rising 12% in 2022.

Following a year of volatility, the S&P 500 ended the year 19.44% lower. Rate-sensitive growth stocks took the biggest hit with the tech-heavy NASDAQ plunging about 33%. Second-quarter corporate results came in better than expected, while third-quarter earnings were relatively flattish. Select sectors started to show pressure in profitability towards the end of the year and recession worries replaced inflation as the market's biggest unknown.

##### European Equity

European equities were bruised in 2022. The pan-European Stoxx 600 index ended the year down about 13%, hammered by elevated inflation, the Russia-Ukraine war, high commodities prices and tightening monetary policy that buoyed recessionary concerns. Russia's invasion of Ukraine pushed food and energy prices through the roof. Russia has cut off most gas supplies to Europe, severely disrupting global oil & gas supplies and sending inflation to new highs. Headline inflation for the eurozone ended at 9.2% in December, easing from the peak of 10.6% in October. Germany, the eurozone's largest economy, also saw consumer prices easing during the period as a result of weaker-than-expected energy demand, thanks to a milder-than-anticipated winter.

To rein in inflation, the European Central Bank lifted rates four times last year, narrowing a rate differential between Europe and the US. This lent some support to the euro after the currency was battered for most of the year, tanking to a 20-year low of \$0.95 against the USD in September when the market expected the worst of an energy crisis from the fallout of the Russia-Ukraine war.

##### Japanese Equity

Japan had been one of the outliers to continue with an ultra-loose monetary policy in 2022, when world central banks were busy unwinding the liquidity that flooded markets during the pandemic. To support a sluggish economy, the Bank of Japan ("BoJ") had been keeping interest rates low when the Fed was aggressively hiking rates. The widening rate differential prompted the yen to tank drastically. In October, the yen depreciated below the psychological key level of 150 to the dollar, a new 32-year low, prompting interventions from the BoJ to prop up the yen. Partly contributed by the currency weakness, Japan's inflation rose to 4% in December, the highest since January 1991. In the same month, to combat inflation, the BoJ surprised the market by raising its 10-year bond yield cap to 0.5% from 0.25%. Some investors interpreted the move as a normalisation of the country's monetary policy.

While the weaker yen had benefited corporate earnings, especially exporters, the Nikkei 225 finished the year lower by 9.4%, weighed down by the Russia-Ukraine war and global recession worries.

##### Asia-Pacific (ex-Japan) Equity

Asia Pacific equities ended lower in 2022, with MSCI Asia Pacific ex Japan tumbling 17.19% over the year.

North Asia was besieged by an array of concerns ranging from heightened inflationary pressure, slower economic growth, the pandemic and geopolitical tensions. During the year, China's stringent pandemic restrictions and lockdowns dampened consumer demand and economic growth in the region, battering Chinese and Hong Kong equities. Sentiment was further crippled by China's property crisis. The tide only turned towards the end of the year after the government launched favourable policies towards the property sector and lifted mobility curbs. Taiwan and Korea, two major semiconductor hubs, posted heavy losses in their stock markets last year. Hit by aggressive global monetary tightening, demand for consumer electronics was subdued. As tech firms destocked chips and electronics, semiconductor manufacturers saw a build-up of inventory levels. Taiex, Taiwan's benchmark index, fell 22% while the benchmark KOSPI plunged nearly 25% during the year.

Indian equities bucked the downtrend while Australian equities remained relatively resilient in comparison to global markets, supported by energy and mining companies that benefited from soaring commodities prices. Both economies and financial markets were relatively immune from global volatility as a result. In 2022, India's domestic benchmarks Nifty50 and Sensex gained more than 4% while Australia's S&P/ASX 200 Index lost 5.5% in the year.

## BU INVESTMENT SERIES OFC

### MANAGER'S REPORT (CONTINUED)

#### Market Commentary (Continued)

##### Greater China Equity

The pandemic took a toll on Chinese and Hong Kong equities for most of 2022, but stocks staged a comeback towards the end of the year after China made an abrupt U-turn on its policies by lifting restrictions on mobility curbs and rolled out favourable policies to support its beleaguered property sector. The MSCI China Index fell nearly 15% last year while the CSI300 index lost 22%. Hong Kong's Hang Seng Index trailed a similar trend, recovering some losses in the final quarter to close the year down more than 15%.

During the year, lockdowns in major Chinese cities and travel restrictions sapped consumer demand, subsequently putting lids on economic growth. Pandemic aside, the country was also embroiled in a property crisis where buyers refused to pay their mortgages for stalled incomplete housing projects, aggravating the financial woes of developers which many were already facing liquidity crunches. The tide finally turned only after the 20th Communist Party Congress when the authorities announced the country's earlier-than-expected reopening and measures to stabilise the property sector. Investors' interests towards the technology sector also remerged in subsiding regulatory risks. These positive policy directions helped markets to rebound and recouped part of the losses.

##### Asia Bond market

As global central banks embarked on aggressive rate hike cycles to combat inflations, investors shunned most Asian bonds for most of 2022. Opportunities were still found in certain sectors such as Indonesia's energy and property, India's renewable energy and new issuances of South Korean financial institutions, but the region's fixed income space took a beating in general. A net outflow of US\$4.89 billion in bonds across Malaysia, Indonesia, India, South Korea and Thailand was recorded last year.

Chinese bonds were at the epicenter of the woes. Weak property sales, growing mortgage boycotts and a spate of defaults sent many Chinese property bonds into distress. Lest of a spillover effect, investors also avoided Chinese financial bonds such as banks and asset management companies. China's stringent zero-covid policy restricted outbound travels, cutting off revenue streams of Macau gaming operators. The watershed moment arrived in November after China launched its three arrow rescue package, facilitating property developers to raise funds via loans, guaranteed bond issuance and equity financing. Developers were able to gain access to funds to complete unfinished projects. Chinese property bonds started to gain grounds late last year. Macau gaming bonds also staged a comeback after China's earlier reopening. As travel restrictions were lifted, Macau saw a revival in tourism and gaming revenues.

##### Currency market

The Fed's hawkish tightening sent the greenback surging last year, gaining over 12% in 2022 by the nominal broad dollar index and hitting a two-decade high in September.

The widening rate differentials between the US and other countries sent global currencies weaker. The Japanese yen and the Renminbi, for instance, depreciated against the dollar as both central banks maintained an accommodative monetary policy when the Fed embarked on an aggressive rate hike campaign. But the USD strength started to dwindle as the pace of US rate hikes eased and interest-rate volatility subsided. The Renminbi stabilised as rate differentials narrowed and on anticipation that China's earlier reopening could support the country's economic growth.

The yen also tanked substantially on a widening rate differential. In October, the yen depreciated below the psychological key level of 150 to the dollar, a new 32-year low, resulting in interventions from the BoJ to prop up the yen. In December the BoJ raised its 10-year bond yield cap to 0.5% from 0.25%, which investors deciphered as a move to normalise interest rates. The yen strengthened and hovered at around 130 level to the dollar in late December.

Elsewhere in Europe, the sterling, for example, also had a rollercoaster ride in 2022, affected not only by a strong dollar, the currency had been volatile after the rollout of sweeping tax cuts in a mini budget, before it was being withdrawn

## BU INVESTMENT SERIES OFC

### CUSTODIAN'S REPORT TO THE SHAREHOLDERS OF BU INVESTMENT SERIES OFC (THE "COMPANY")

We hereby confirm that, in our opinion, the Manager of the Company and its Sub-funds has in all material respects managed the Company and its Sub-funds in accordance with the provisions of the Instrument of Incorporation, as amended and restated, during the period from 30 September 2021 (date of commencement) to 31 December 2022.

For and on behalf of Cititrust Limited in its capacity as Custodian of BU Investment Series OFC

26 April 2023

## BU INVESTMENT SERIES OFC

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BU INVESTMENT SERIES OFC

#### Report on the Audit of the Financial Statements

##### Opinion

We have audited the financial statements of BU Investment Series OFC and its sub-funds (the "Company and its Sub-funds") set out on pages 6 to 51, which comprise the statement of assets and liabilities as at 31 December 2022, and the statement of comprehensive income, the statement of changes in net assets attributable to shareholders and statement of cash flows for the period from 30 September 2021 (date of commencement) to 31 December 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company and its Sub-funds as at 31 December 2022, and of its financial performance and cash flows for the period from 30 September 2021 (date of commencement) to 31 December 2022 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

##### Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company and its Sub-funds in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### Information other than the financial statements and auditor's report thereon

The Manager and the Directors of the Company and its Sub-funds are responsible for the other information. The other information comprises all the information included in the annual report, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

##### Responsibilities of Manager and Directors and Those Charged with Governance for the financial statements

The Manager and the Directors of the Company and its Sub-funds are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager and the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Directors of the Company and its Sub-funds are responsible for assessing the Company's and its Sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Directors either intend to liquidate the Company and its Sub-funds or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the Directors of the Company and its Sub-funds are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation dated 8 February 2021, Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Hong Kong Securities and Futures Commission.

Those charged with governance are responsible for overseeing the Company's and its Sub-funds' financial reporting process.

## BU INVESTMENT SERIES OFC

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BU INVESTMENT SERIES OFC (CONTINUED)

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Company and its Sub-funds have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its Sub-funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Directors.
- Conclude on the appropriateness of the Manager's and the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and its Sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and its Sub-funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### Report on matters under the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Company's and its Sub-funds' instrument of incorporation, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

Certified Public Accountants

8th Floor, Prince's Building  
10 Chater Road  
Central, Hong Kong

26 April 2023

## BU INVESTMENT SERIES OFC

### STATEMENT OF ASSETS AND LIABILITIES AT 31 DECEMBER 2022

	Note	BU Investment Series OFC 2022 US\$	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
<b>Assets</b>							
Financial assets at fair value through profit or loss	5, 6(f)	-	23,162,419	27,913,888	7,602,923	6,139,706	76,554,880
Amounts receivable from foreign currency forward contracts	8(d)	-	57,517	88,859	13,195	-	461,534
Dividend receivables		-	9,877	7,405	522	2,274	-
Amounts receivable from sale of investments		-	49,425	-	3,844	298,505	-
Receivable		1	-	-	-	-	-
Other receivables		-	814	4,674	-	-	10,568
Amount due from brokers		-	5	-	-	-	-
Cash and cash equivalents	6(e)	-	1,323,752	829,278	40,340	260,063	958,113
<b>Total assets</b>		<b>1</b>	<b>24,603,809</b>	<b>28,844,104</b>	<b>7,660,824</b>	<b>6,700,548</b>	<b>77,985,095</b>
<b>Liabilities</b>							
Amount payable on redemption		-	-	-	3,677	-	-
Amounts payable for purchase of investments		-	-	-	3,851	234,079	-
Accrued expenses and other payables	6(a), 6(b), 6(c), 6(d)	-	57,391	55,318	26,656	23,883	173,021
<b>Total liabilities</b>		<b>-</b>	<b>57,391</b>	<b>55,318</b>	<b>34,184</b>	<b>257,962</b>	<b>173,021</b>
<b>Net assets attributable to shareholders</b>							
Equity		<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities		<u>-</u>	<u>24,546,418</u>	<u>28,788,786</u>	<u>7,626,640</u>	<u>6,442,586</u>	<u>77,812,074</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

Approved and authorised for issue by the Directors on 26 April 2023.

Directors

The accompanying notes form an integral part of these financial statements

## BU INVESTMENT SERIES OFC

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022

Note	BU Investment Series OFC 2022 US\$	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
Dividend income						
Interest income						
Other income	-	782,920	547,910	164,177	169,975	1,193,362
Net loss from financial assets at fair value through profit or loss	-	18,091	14,713	26	43	3,788
	-	21,101	81,769	1,436	6,570	205,066
Net foreign exchange (loss)/ gain	-	(7,660,108)	(8,649,272)	(3,644,643)	(771,401)	(2,704,413)
	-	(1,588,167)	(787,911)	(215,158)	(124,985)	302,142
<b>Total investment loss</b>		<b>(8,426,163)</b>	<b>(8,792,791)</b>	<b>(3,694,162)</b>	<b>(719,798)</b>	<b>(1,000,055)</b>
Management fees	6(e)	-	557,960	611,639	214,269	1,342,784
Safe custody and bank charges	6(c)	-	40,964	46,757	16,213	12,951
Auditors' remuneration		-	10,974	10,974	10,973	10,974
Registrar's fees	6(b)	-	18,599	20,388	6,123	4,990
Printing and publication expenses		-	69	74	22	18
Regulatory fees		-	882	923	686	658
Legal and professional fees		-	10,450	1,053	848	3,771
Transaction costs		-	124,715	266,374	38,907	9,480
Interest expenses		-	11,163	9,002	7	20
Other expenses		-	12,524	11,388	4,519	3,000
<b>Total operating expenses</b>		<b>-</b>	<b>788,300</b>	<b>978,572</b>	<b>292,567</b>	<b>1,638,220</b>
<b>Loss before finance costs</b>		<b>-</b>	<b>(9,214,463)</b>	<b>(9,771,363)</b>	<b>(3,986,729)</b>	<b>(915,361)</b>
Distributions to shareholders	11	-	(2,046,260)	(2,108,704)	-	(482,090)
<b>Loss before taxation</b>		<b>-</b>	<b>(11,260,723)</b>	<b>(11,880,067)</b>	<b>(3,986,729)</b>	<b>(1,397,451)</b>
Taxation (including withholding tax)	4	-	(57,558)	(34,169)	(10,809)	(36,679)
<b>Decrease in net assets attributable to shareholders and total comprehensive income for the period</b>		<b>-</b>	<b>(11,318,281)</b>	<b>(11,914,236)</b>	<b>(3,997,538)</b>	<b>(1,434,130)</b>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

The accompanying notes form an integral part of these financial statements

## BU INVESTMENT SERIES OFC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS/ STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022

	BU Investment Series OFC 2022 US\$	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund (1) 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
<b>Balance at the beginning of the period</b>	1	-	-	-	-	-
Decrease in net assets attributable to shareholders and total comprehensive income for the period	-	(11,318,281)	(11,914,236)	(3,997,538)	(1,434,130)	(9,083,834)
<b>Subscriptions and redemptions by shareholders</b>						
Subscriptions of shares	-	40,402,503	47,536,720	13,646,333	10,708,327	193,258,611
Redemptions of shares	-	(4,537,804)	(6,833,698)	(2,022,155)	(2,831,611)	(106,362,703)
<b>Net subscriptions by shareholders</b>	-	<b>35,864,699</b>	<b>40,703,022</b>	<b>11,624,178</b>	<b>7,876,716</b>	<b>86,895,908</b>
<b>Balance at the end of the period</b>	<b>1</b>	<b>24,546,418</b>	<b>28,788,786</b>	<b>7,626,640</b>	<b>6,442,586</b>	<b>77,812,074</b>

The accompanying notes form an integral part of these financial statements

## BU INVESTMENT SERIES OFC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS/ STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022 (CONTINUED)

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
<b>Class A (Accumulating)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	148,135.37	66,589.98	101,369.26	–	–
Shares redeemed during the period	(42,503.21)	(149.98)	–	–	–
Balance at the end of the period	105,632.16	66,440.00	101,369.26	–	–
Net asset value per share <sup>(2)</sup>	US\$ 10.88	US\$ 8.89	US\$ 10.33	US\$ –	RMB –
<b>Class A HKD (Accumulating)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	–	–	470,558.84	–	–
Shares redeemed during the period	–	–	(100,750.08)	–	–
Balance at the end of the period	–	–	369,808.76	–	–
Net asset value per share <sup>(2)</sup>	US\$ –	US\$ –	US\$ 13.29	US\$ –	RMB –
<b>Class A RMB (Hedged) (Accumulating)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	–	–	124,421.63	–	–
Shares redeemed during the period	–	–	(19,298.24)	–	–
Balance at the end of the period	–	–	105,123.39	–	–
Net asset value per share <sup>(2)</sup>	US\$ –	US\$ –	US\$ 15.81	US\$ –	RMB –

## BU INVESTMENT SERIES OFC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS/ STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022 (CONTINUED)

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
<b>Class A (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	1,061,730.85	1,120,083.45	–	755,809.21	392,206.25
Shares redeemed during the period	(181,867.68)	(176,149.33)	–	(206,087.00)	(90,324.88)
Balance at the end of the period	879,863.17	943,934.12	–	549,722.21	301,881.37
Net asset value per share <sup>(2)</sup>	US\$ 7.90	US\$ 7.12	US\$ –	US\$ 9.46	RMB 52.98
<b>Class A HKD (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	595,737.31	1,407,018.66	–	145,144.68	1,635,888.39
Shares redeemed during the period	(49,185.73)	(271,463.82)	–	(43,376.88)	(1,205,764.28)
Balance at the end of the period	546,551.58	1,135,554.84	–	101,767.80	430,124.11
Net asset value per share <sup>(2)</sup>	US\$ 10.20	US\$ 9.10	US\$ –	US\$ 12.15	RMB 68.46
<b>Class A RMB (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	–	–	–	–	543,124.77
Shares redeemed during the period	–	–	–	–	(173,610.41)
Balance at the end of the period	–	–	–	–	369,514.36
Net asset value per share <sup>(2)</sup>	US\$ –	US\$ –	US\$ –	US\$ –	RMB 87.60

## BU INVESTMENT SERIES OFC

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS/ STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022 (CONTINUED)

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
<b>Class A AUD (Hedged) (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	307,770.20	1,027,637.71	–	–	–
Shares redeemed during the period	(22,492.01)	(259,442.57)	–	–	–
Balance at the end of the period	285,278.19	768,195.14	–	–	–
Net asset value per share <sup>(2)</sup>	US\$ 4.52	US\$ 4.45	US\$ –	US\$ –	RMB –
<b>Class A NZD (Hedged) (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	385,765.41	–	–	–	–
Shares redeemed during the period	(2,593.07)	–	–	–	–
Balance at the end of the period	383,172.34	–	–	–	–
Net asset value per share <sup>(2)</sup>	US\$ 4.36	US\$ –	US\$ –	US\$ –	RMB –
<b>Class A RMB (Hedged) (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	816,337.90	849,359.98	–	–	–
Shares redeemed during the period	(102,562.31)	(66,320.25)	–	–	–
Balance at the end of the period	713,775.59	783,039.73	–	–	–
Net asset value per share <sup>(2)</sup>	US\$ 11.07	US\$ 9.84	US\$ –	US\$ –	RMB –

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

<sup>(2)</sup> The net asset value per share is rounded down to 2 decimal places in accordance with the Prospectus.

## BU INVESTMENT SERIES OFC

### CASH FLOW STATEMENT

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
<b>Operating activities</b>					
Decrease in net assets attributable to shareholders and total comprehensive income for the period	(11,260,723)	(11,880,067)	(3,986,729)	(1,397,451)	(9,083,834)
Adjustments for:					
Dividend income	(782,920)	(547,910)	(164,177)	(169,975)	(1,193,362)
Interest income	(18,091)	(14,713)	(26)	(43)	(3,788)
Distributions to shareholders	2,046,260	2,108,704	–	482,090	6,445,559
Net change in unrealised loss from financial assets at fair value through profit or loss	2,109,844	2,080,904	1,837,334	156,322	1,227,585
Net realised loss from financial assets at fair value through profit or loss	5,550,264	6,568,368	1,807,309	615,079	1,476,828
<b>Operating losses before changes in working capital</b>	(2,355,366)	(1,684,714)	(506,289)	(313,978)	(1,131,012)
Exchange losses/(gains) on investments	2,378,090	715,381	204,978	116,546	(190,949)
Purchase of financial assets at fair value through profit or loss	(69,529,567)	(91,556,932)	(18,544,948)	(26,155,877)	(259,682,214)
Proceeds from sale of financial assets at fair value through profit or loss	37,278,318	54,967,237	7,200,071	19,063,798	180,168,694
Settlement of foreign currency forward contracts	(1,056,310)	(777,705)	(120,855)	–	(16,358)
Increase in other receivables	(815)	(4,674)	–	–	(10,568)
Increase in amounts due from brokers	(5)	–	–	–	–
Increase in accrued expenses and other payables	57,391	55,318	26,656	23,883	173,021
<b>Net cash used in operations</b>	(33,228,263)	(38,286,089)	(11,740,387)	(7,265,628)	(80,689,386)
Interest received	18,091	14,713	26	43	3,788
Dividend received, net of withholding tax	715,485	506,336	152,846	131,022	1,193,362
<b>Net cash used in operating activities</b>	(32,494,687)	(37,765,040)	(11,587,515)	(7,134,563)	(79,492,236)

The accompanying notes form an integral part of these financial statements

## BU INVESTMENT SERIES OFC

### CASH FLOW STATEMENT

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022(CONTINUED)

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
<b>Financing activity</b>					
Proceeds from subscription of shares	40,402,503	47,536,720	13,646,333	10,708,327	193,258,611
Payments on redemption of shares	(4,537,804)	(6,833,698)	(2,018,478)	(2,831,611)	(106,362,703)
Distribution paid	(2,046,260)	(2,108,704)	–	(482,090)	(6,445,559)
<b>Cash generated from financing activity</b>	<b>33,818,439</b>	<b>38,594,318</b>	<b>11,627,855</b>	<b>7,394,626</b>	<b>80,450,349</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,323,752</b>	<b>829,278</b>	<b>40,340</b>	<b>260,063</b>	<b>958,113</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,323,752</b>	<b>829,278</b>	<b>40,340</b>	<b>260,063</b>	<b>958,113</b>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

The accompanying notes form an integral part of these financial statements

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS

#### 1. The Company

BU Investment Series OFC (the “Company”) is an open ended fund company with variable capital and limited liability regulated under the Hong Kong Securities and Futures Ordinance (“SFO”). The Company is established with an umbrella structure and the sub-funds of the Company have segregated liability. The Company was incorporated pursuant to an Instrument of Incorporation filed to the Companies Registry of Hong Kong on and effective as of 8 February 2021, as amended and restated (the “Instrument”) with registration number OF11.

There were five sub-funds (collectively the “Sub-funds”) created under the Company as at 31 December 2022. These sub-funds were launched on the date set out below:

<i>Name of sub-funds</i>	<i>Launch date</i>
BU Asia Pacific Flexi Allocation Fund	30 September 2021
BU China Gateway Fund	30 September 2021
BU China Phoenix Fund	30 September 2021
BU Global Flexi Allocation Fund	30 September 2021
BU RMB Core Bond Fund	30 September 2021

The investment objective of BU Asia Pacific Flexi Allocation Fund is to seek long-term capital growth and income through investing in equity securities or debt securities, that are either (a) traded in the Asia Pacific region or (b) issued by companies incorporated in the Asia Pacific region or companies which have significant operations in or derive significant portion of revenue from the Asia Pacific region.

The investment objective of BU China Gateway Fund is to seek medium to long term capital growth and income through investing primarily in equity securities and/or debt securities, that are either (a) traded in China or (b) issued by entities incorporated in China or entities which have significant operations in or assets in, or derive significant portion of revenue or profits from China.

The investment objective of BU China Phoenix Fund is to seek long-term capital appreciation through investing primarily in Chinese equity securities.

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

The investment objective of BU RMB Core Bond Fund is to seek income and long-term capital growth by investing in debt securities and other assets that are denominated in RMB and other currencies.

The Sub-funds are authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under section 104 of the SFO. It is governed by the relevant provisions of the Code on Open Ended Fund Companies (the “OFC Code”) and the Code on Unit Trusts and Mutual Funds (the “UT Code”) issued by the SFC.

BEA Union Investment Management 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) and 9 (Asset Management) Regulated Activities under Part V of the SFO.

The Company has appointed the Manager to manage the assets of the Company (i.e. to carry out investment management functions) and to provide asset valuation and pricing functions in respect of the Company and the Sub-funds, pursuant to the Investment Management Agreement.

The Company has appointed Cititrust Limited (the “Custodian”), as the custodian for the Sub-funds. Cititrust Limited, is a registered trust company in Hong Kong and is a wholly-owned subsidiary of Citigroup Inc. (“Citigroup”). As a global financial services group, Citigroup and its subsidiaries provide a broad range of financial products and services, including consumer banking, corporate and investment banking, securities brokerage and wealth management to consumers, corporations, governments and institutions.

The Custodian shall act as custodian of the assets of each sub-Fund, pursuant to the Custodian Agreement. The Custodian is responsible for the safe-keeping of all the investments, cash and other assets forming part of the assets of each sub-Fund, and such assets will be dealt with pursuant to the terms of the Custodian Agreement. The Custodian must take reasonable care, skill and diligence to ensure the safe-keeping of the Sub-Fund’s property entrusted to it.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong, and the relevant disclosure provisions of the OFC Code and the UT Code issued by the SFC. Significant accounting policies adopted by the Sub-funds are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Sub-funds.

(b) Basis of preparation of the financial statements

The financial statements of the Sub-funds are presented in Renminbi (“RMB”) and United States dollars (“USD”) and rounded to the nearest dollar.

The measurement basis used in the preparation of these financial statements is the historical cost basis except that financial instruments classified as designated at fair value through profit or loss are stated at their fair value as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(c) Income and expenses

Interest income is recognised as it accrues using effective interest method. Interest on bank deposits is separately disclosed on the face of profit or loss. Interest income on debt securities is included in net gain from financial assets at fair value through profit or loss. All other income and expenses are accounted for on an accrual basis.

(d) Investments

(i) Classification of financial assets

On initial recognition, the Sub-funds classify financial assets as measured at amortised cost or fair value through profit or loss (“FVTPL”).

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).

All other financial assets of the Sub-funds are measured at FVTPL.

*Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the Sub-funds considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(d) Investments (continued)

(i) Classification of financial assets (continued)

- how the performance of the portfolio is evaluated and reported to the Sub-funds’ management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Sub-funds’ continuing recognition of the assets.

The Sub-funds have determined that it has two business models.

- Held-to-collect business model: this includes dividend receivables, amounts receivable from sale of investments, amounts due from brokers, and cash and cash equivalents. These financial assets are held to collect contractual cash flow.
- Other business model: this includes debt securities, equity instruments, derivatives and investment funds. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

*Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, “principal” is defined as the fair value of the financial asset on initial recognition. “Interest” is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the Sub-funds consider the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Sub-funds consider:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Sub-funds’ claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration for of the time value of money (e.g. periodical reset of interest rates).

The Sub-funds classify its investments based on the business model and contractual cash flows assessment. Accordingly, the Sub-funds classify all its debt securities into financial assets at FVTPL category. Financial assets measured at amortised cost include dividend receivables, amounts receivable from sale of investments, amounts due from brokers, and cash and cash equivalents .

*Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(d) Investments (continued)

(ii) *Classification of financial liabilities*

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is a derivative. Financial liabilities at FVTPL are measured at fair value and net gains and losses are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Foreign exchange gains and losses are recognised in profit or loss.

Any gain or loss on derecognition is also recognised in profit or loss.

Accordingly, financial liabilities measured at amortised cost include amounts due to brokers, and accruals and other payables.

(iii) *Recognition*

The Sub-funds recognise financial assets and financial liabilities on the date they become a party to the contractual provisions of the instruments.

A regular way purchase or sale of financial assets or financial liabilities at fair value through profit or loss is recognised on a trade date basis. From this date, any gains or losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

Financial liabilities are not recognised unless one of the parties has performed their obligations under the contract or the contract is a derivative contract not exempted from the scope of HKFRS 9.

(iv) *Measurement*

Financial instruments are measured initially at fair value (transaction price). Transaction costs on financial assets and liabilities at fair value through profit or loss are expensed immediately.

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair values recognised in profit or loss.

Financial assets classified as loans and receivables are carried at amortised cost using the effective interest rate method, less impairment losses, if any.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

(v) *Fair value measurement principles*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Sub-funds have access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Sub-funds measure the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Sub-funds use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The Sub-funds recognise transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change has occurred.

Net gains or losses on investments are included in profit or loss. Realised gains or losses on investments and unrealised gains or losses on investments arising from a change in fair value. Net realised gains or losses from financial instruments at fair value through profit or loss is calculated using the average cost method.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(d) Investments (continued)

(vi) *Amortised cost measurement*

The “amortised cost” of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

(vii) *Impairment*

The Sub-funds recognise loss allowances for expected credit losses (“ECLs”) on financial assets measured at amortised cost.

The Sub-funds measure loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Sub-funds consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Sub-funds’ historical experience and informed credit assessment and including forward-looking information.

The Sub-funds assume that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Sub-funds consider a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Sub-funds in full, without recourse by the Sub-funds to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Sub-funds consider a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of ‘investment grade’. The Sub-funds consider this to be Baa3 or higher per Moody’s or BBB- or higher per Standard & Poor’s.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Sub-funds are exposed to credit risk.

*Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Sub-funds expect to receive).

ECLs are discounted at the effective interest rate of the financial asset.

*Credit-impaired financial assets*

At each reporting date, the Sub-funds assess whether financial assets carried at amortised cost are credit-impaired. A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(d) Investments (continued)

(vii) Impairment (continued)

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Presentation of allowance for ECLs in the statement of assets and liabilities

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off

The gross carrying amount of a financial asset is written off when the Sub-funds have no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

(viii) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

Assets held for trading that are sold are derecognised and corresponding receivables from brokers are recognised as of the date the Sub-funds commit to sell the assets.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

On derecognition of a financial asset, the difference between the carrying value of the asset and the consideration received is recognised in profit or loss.

(ix) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets and liabilities when the Sub-funds have a legally enforceable right to offset the recognised amounts and the transactions are intended to be settled on a net basis or simultaneously, e.g. through a market clearing mechanism.

(e) Foreign currency forward contracts

Outstanding foreign currency forward contracts are valued at the year end date by reference to the forward rate of exchange applicable to the outstanding term of the contracts. Unrealised gains and losses on outstanding contracts and realised gains and losses on closed contracts are included in profit or loss under the heading "net loss from financial assets at fair value through profit or loss".

(f) Translation of foreign currencies

Foreign currency transactions during the period are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities of the Sub-funds denominated in foreign currencies are translated into RMB and USD at the foreign exchange rates ruling at the end of the reporting period. Differences arising on foreign currency translation are recorded in the statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(g) Related parties

(a) A person, or a close member of that person's family, is related to the Sub-funds if that person:

- (i) has control or joint control over the Sub-funds;
- (ii) has significant influence over the Sub-funds; or
- (iii) is a member of the key management personnel of the Sub-funds or the Sub-funds' parent.

(b) An entity is related to the Sub-funds if any of the following conditions applies:

- (i) The entity and the Sub-funds are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of an entity related to the Sub-funds.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group which it is a part, provides key management personnel services to the Sub-funds or to the Sub-funds' parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(h) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(i) Taxation

Taxation for the period comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period. Current tax also includes non-recoverable withholding taxes on investment income, capital gains and share dividends.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases.

All deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable capital gains will be available against which the asset can be utilised, are recognised.

The amounts of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies

(j) Shares in issue

The Sub-funds classify capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

A puttable financial instrument is classified as an equity instrument if it has all of the following features:

- It entitles the holder to a pro rata share of the Sub-funds' net assets in the event of the Sub-funds' liquidation.
- The instrument is in the class of instruments that is subordinate to all other classes of instruments.
- All financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features.
- The instrument does not include any contractual obligation to deliver cash or another financial asset other than the holder's rights to a pro rata share of the Sub-funds' net assets.
- The total expected cash flows attributable to the instrument over the life of the instrument are based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-funds over the life of the instrument.

In addition to the instrument having all the above features, the Sub-funds must have no other financial instrument or contract that has:

- Total cash flows based substantially on the profit or loss, the change in the recognised net assets or the change in the fair value of the recognised and unrecognised net assets of the Sub-funds; and
- The effect of substantially restricting or fixing the residual return to the puttable instrument holders.

BU Asia Pacific Flexi Allocation Fund has two classes of redeemable shares: Class A and Class I while Class A of the sub-fund had further separated its shares into accumulating shares, accumulating hedged shares, distributing shares and distributing hedged shares. Class A Accumulating, Class A Distributing, Class A Distributing (HKD), Class A Distributing Hedged (AUD), Class A Distributing Hedged (NZD) and Class A Distributing Hedged (RMB) shares were in issue.

BU China Gateway Fund has two classes of redeemable shares: Class A and Class I while Class A of the sub-fund had further separated its shares into accumulating shares, accumulating hedged shares, distributing shares and distributing hedged shares. Class A Accumulating, Class A Distributing, Class A Distributing (HKD), Class A Distributing Hedged (AUD) and Class A Distributing Hedged (RMB) shares were in issue.

BU China Phoenix Fund has two classes of redeemable shares: Class A and Class I while Class A has further separated its shares into accumulating shares and accumulating hedged shares. Class A Accumulating, Class A Accumulating (HKD) and Class A Accumulating Hedged (RMB) shares were in issue.

BU Global Flexi Allocation Fund has two classes of redeemable shares: Class A and Class I while Class A of the sub-fund had further separated its shares into accumulating shares, accumulating hedged shares, distributing shares and distributing hedged shares. Class A Distributing and Class A Distributing (HKD) shares were in issue.

BU RMB Core Bond Fund has two classes of redeemable shares: Class A and Class I while Class A of the sub-fund had further separated its shares into accumulating shares, accumulating hedged shares, distributing shares and distributing hedged shares. Class A Distributing, Class A Distributing (HKD) and Class A Distributing (RMB) shares were in issue.

All redeemable shares issued by the Sub-funds provide the investors with the right to require redemption for cash at a value proportionate to the investor's share in the corresponding Sub-funds' net assets at each daily redemption date and also in the event of the corresponding Sub-funds' liquidation.

BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund have created multiple classes of shares, which rank pari passu in all material respects but have different terms and conditions as set out in the Placing Memorandum and Prospectus respectively, which include different currencies, minimum investment amounts, minimum realisation amount and minimum holding amount. The redeemable shares provide shareholders with the right to require redemption for cash at a value proportionate to the shareholders' share in the Sub-funds' net assets at each redemption date but also in the event of the Sub-funds' liquidation. The redeemable shares of the Sub-funds are classified as financial liabilities and are measured at the present value of the redemption amounts as at 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(j) Shares in issue (continued)

The Manager and the Custodian continuously assess the classification of the redeemable shares. If the redeemable shares cease to have all the features or meet all the conditions set out in paragraphs 16A and 16B of HKAS 32, the Manager and the Custodian will reclassify them as financial liabilities and measure them at fair value at the date of reclassification, with any differences from the previous carrying amount recognised in equity. If the redeemable shares subsequently have all the features and meet the conditions set out in paragraphs 16A and 16B of HKAS 32, the Manager and the Custodian will reclassify them as equity instruments and measure them at the carrying amount of the liabilities at the date of the reclassification.

(k) Distributions to holders of redeemable shares

Distributions to holders of redeemable shares classified as financial liabilities are recognised in the statements of comprehensive income as finance costs when they are authorised and no longer at the discretion of the Sub-funds.

(l) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as BEA Union Investment Management Limited ("the Manager").

3. Net losses on financial assets at fair value through profit or loss

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
Realised losses on investments	(4,488,551)	(5,762,674)	(1,690,093)	(615,079)	(1,757,586)
Realised (losses)/gains on foreign currency forward contracts	(1,061,713)	(805,694)	(117,216)	-	280,758
Net change in unrealised losses on investments	(2,172,764)	(2,197,752)	(1,846,890)	(156,322)	(1,392,003)
Net change in unrealised gains on foreign currency forward contracts	62,920	116,848	9,556	-	164,418
	<u>(7,660,108)</u>	<u>(8,649,272)</u>	<u>(3,644,643)</u>	<u>(771,401)</u>	<u>(2,704,413)</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

4. Taxation

No provision for Hong Kong Profits Tax has been made in the financial statements as the Sub-funds are exempted from taxation under section 26A (1A) of the Hong Kong Inland Revenue Ordinance.

Capital gains, interest and dividend income including share dividend received by the Sub-funds may be subject to non-recoverable withholding tax imposed on the country of origin. Capital gains and investment income are recorded gross of withholding tax in profit or loss.

Under the general provisions of the PRC Corporate Income Tax Law and published tax circulars, the Sub-funds would be subject to PRC withholding tax at the rate of 10% in respect of its PRC sourced income earned, including capital gains realised on the sale of PRC listed companies, dividend income derived from PRC listed companies and interest income earned in respect of PRC bank deposits and corporate bonds. This withholding taxation basis should apply as it is intended that the Sub-funds would be managed and operated in such a manner that they would not be considered as a tax resident enterprise in China or otherwise as having a taxable establishment in the PRC.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 4. Taxation (continued)

The Sub-funds' Placing Memorandum or Prospectus gives the Manager the right to provide for withholding tax on such gains or income and withhold the tax for the account of the Sub-funds. The Manager currently does not intend to make provisions for any Mainland China tax payable by the Sub-funds on interest from debt securities issued in Mainland China during the tax exemption period up to 6 November 2021. Upon expiry of such period, a provision at a rate of 10% will be withheld on the interest income from debt securities issued by Mainland China (if relevant withholding tax is not withheld at source). No provision will be made on realised capital gain from debt securities issued in Mainland China.

As at 31 December 2022, taxation in statement of comprehensive income represents:

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
Current tax - Overseas withholding tax	57,558	34,169	10,809	36,679	–

(1) The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

#### 5. Financial assets at fair value through profit or loss

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
Investment funds	1,261,013	8,163,881	–	6,139,706	12,628,427
Equity securities	15,843,963	19,750,007	7,602,923	–	–
Stapled securities	161,219	–	–	–	–
Real estate investment trusts	717,639	–	–	–	–
Debt securities	5,178,585	–	–	–	63,926,453
<b>Total Investments</b>	<b>23,162,419</b>	<b>27,913,888</b>	<b>7,602,923</b>	<b>6,139,706</b>	<b>76,554,880</b>
Investments, at cost	26,027,303	30,436,006	9,563,336	6,305,554	76,882,517
Net unrealised loss	(2,864,884)	(2,522,118)	(1,960,413)	(165,848)	(327,637)
<b>Investments, at market value</b>	<b>23,162,419</b>	<b>27,913,888</b>	<b>7,602,923</b>	<b>6,139,706</b>	<b>76,554,880</b>

(1) The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

#### 6. Transactions with Manager and Connected Persons

The following is a summary of significant related party transactions or transactions entered into during the period between the Sub-funds, the Manager, the Custodian and their Connected Persons. Connected Persons are those as defined in the UT Code issued by the SFC.

All transactions during the period between the Sub-funds, the Manager, the Custodian and their Connected Persons were entered into in the ordinary course of business and under normal commercial terms. To the best of the knowledge of the Manager, the Sub-funds did not have any other transactions with Connected Persons except for those disclosed below. The relevant receivables and payables are unsecured, interest free and repayable on demand.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 6. Transactions with Manager and Connected Persons (continued)

##### (a) Management fees

The Company appointed BEA Union Investment Management Limited to implement the investment strategy as specified in the Sub-funds' Placing Memorandum or Prospectus. The Manager is entitled to receive a management fee in respect of each class of shares calculated as a percentage of the net asset value of that part of the relevant sub-funds relating to the relevant class of shares as follows:

	Class A % p.a.	Class I % p.a.
BU Asia Pacific Flexi Allocation Fund	1.50	1.00
BU China Gateway Fund	1.50	1.00
BU China Phoenix Fund	1.75	1.50
BU Global Flexi Allocation Fund	1.50	1.00
BU RMB Core Bond Fund	1.00	0.70

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The management fees charged for the period for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the management fees payable for each sub-fund is as below:

	2022 US\$
BU Asia Pacific Flexi Allocation Fund	31,733
BU China Gateway Fund	36,657
BU China Phoenix Fund	11,290
BU Global Flexi Allocation Fund	8,468
	RMB
BU RMB Core Bond Fund	67,018

##### (b) Registrar fees

The Company appointed BEA Union Investment Management Limited as the registrar which delegates the transfer agency services to Cititrust Limited operating through its Hong Kong Branch, which is a connected party to the Custodian. The fee is calculated as a percentage of the net asset value of each sub-fund at the following rates, subject to a minimum of US\$3,000 per annum:

Net Asset Value	% p.a.
First US\$50 million	0.050
Next US\$10 million	0.045
Next US\$10 million	0.040
Next US\$10 million	0.035
Next US\$10 million	0.030
Next US\$10 million	0.025
Excess over US\$100 million	0.015

The registrar fees charged for the period for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the registrar fees payable for each sub-fund is as below:

	2022 US\$
BU Asia Pacific Flexi Allocation Fund	1,058
BU China Gateway Fund	1,222
BU China Phoenix Fund	323
BU Global Flexi Allocation Fund	282
	RMB
BU RMB Core Bond Fund	3,351

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 6. Transactions with Manager and Connected Persons (continued)

##### (c) Custodian fees

The Custodian is entitled to receive a fee which is charged as a percentage of the net asset value of the Sub-funds relating to the relevant class of shares as follows.

	% p.a.
Net Asset Value	
USD 0 to 100 million	0.07
USD 100 to 250 million	0.06
Over 250 million	0.05

The fee is calculated and accrued on each valuation day and payable monthly in arrears. The custodian fees charged for the period for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the custodian fees payable for each sub-fund is as below:

	2022 US\$
BU Asia Pacific Flexi Allocation Fund	1,481
BU China Gateway Fund	1,711
BU China Phoenix Fund	452
BU Global Flexi Allocation Fund	395
	RMB
BU RMB Core Bond Fund	4,691

##### (d) Financial reporting fees

The Administrator also charged the Company financial reporting fees at each sub-fund an amount of US\$2,000 and US\$1,000 for annual and interim reporting respectively. The financial reporting fees charged for the period for each sub-fund are disclosed in the statement of comprehensive income. As at 31 December, the financial reporting fees payable for each sub-fund is as below:

	2022 US\$
BU Asia Pacific Flexi Allocation Fund	3,000
BU China Gateway Fund	3,000
BU China Phoenix Fund	3,000
BU Global Flexi Allocation Fund	3,000
	RMB
BU RMB Core Bond Fund	20,757

##### (e) Bank balances

The bank balance of a bank account maintained with the Custodian at each sub-fund, as at 31 December, is as below:

	2022 US\$
BU Asia Pacific Flexi Allocation Fund	1,323,752
BU China Gateway Fund	829,278
BU China Phoenix Fund	40,340
BU Global Flexi Allocation Fund	260,063
	RMB
BU RMB Core Bond Fund	958,113

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 6. Transactions with Manager and Connected Persons (continued)

##### (e) Bank balances (continued)

During the period, interest earned at each sub-fund from such bank account is as below:

	2022 US\$
BU Asia Pacific Flexi Allocation Fund	18,091
BU China Gateway Fund	14,713
BU China Phoenix Fund	26
BU Global Flexi Allocation Fund	43
	RMB
BU RMB Core Bond Fund	3,788

##### (f) Investments

During the period ending 31 December 2022, BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund and BU RMB Core Bond Fund had invested in BEA Union Investment Asian Bond and Currency Fund. BU China Gateway Fund had invested in BU APAC Bond Fund. These investment funds were managed by the Manager. BU Asia Pacific Flexi Allocation Fund and BU China Gateway Fund had invested in BU China Multi-Asset No.1 Private Investment Fund which was managed by BEA Union Investment Management (Shenzhen) Limited ("BEAUSZ") which is the subsidiary of the Manager. Details of the transactions are shown below:

Name of related shareholders	BU Asia Pacific Flexi Allocation Fund	BU Asia Pacific Flexi Allocation Fund	BU China Gateway Fund	BU China Gateway Fund	BU China Gateway Fund
	2022 US\$	2022 US\$	2022 US\$	2022 US\$	2022 US\$
	BEA Union Investment Asian Bond and Currency Fund	BU China Multi-Asset No. 1 Private Investment Fund	BEA Union Investment Asian Bond and Currency Fund	BU APAC Bond Fund	BU China Multi-Asset No. 1 Private Investment Fund
Name of investee funds					
Number of units/shares held as at period end	53,948.27	5,271,439.81	397,904.91	212,443.36	17,041,699.45
Market value of units/shares held as at period end	507,114	753,899	3,740,306	1,986,345	2,437,230
Total purchase during the period	768,232	1,057,870	1,390,270	751,260	3,419,919
Total sales during period	3,140,556	-	2,884,752	-	-
	BU Asia Pacific Flexi Allocation Fund	BU Asia Pacific Flexi Allocation Fund	BU China Gateway Fund	BU China Gateway Fund	
Name of related shareholders	2022 US\$	2022 US\$	2022 US\$	2022 US\$	
	BEA Union Investment Asian Bond and Currency Fund	BU China Multi-Asset No. 1 Private Investment Fund	BEA Union Investment Asian Bond and Currency Fund	BU APAC Bond Fund	
Name of investee funds					
Number of units/shares held as at period end	-	-	-	191,926.86	
Market value of units/shares held as at period end	-	-	-	12,628,427	
Total purchase during the period	-	680,843	1,512,127	7,906,894	
Total sales during period	2,610,723	678,183	1,352,083	29,691,245	

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 6. Transactions with Manager and Connected Persons (continued)

##### (f) Investments (continued)

BEA Union Investment Management Limited, the Manager of the Sub-funds, The Bank of East Asia (Nominees) Limited and The Bank of East Asia (China) Limited which are the fellow subsidiaries and The Bank of East Asia, Limited which is the immediate parent and ultimate holding company of the Manager, held the following shares of the Sub-funds as at the end of the reporting period on behalf of their clients.

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
BEA Union Investment Management Limited					
- Class A Accumulating Hedged (RMB)	-	-	23,827.56	-	-
The Bank of East Asia (Nominees) Limited					
- Class A Accumulating (USD)	1,830.52	66,297.19	101,369.26	-	-
- Class A Accumulating (HKD)	-	-	54,609.31	-	-
- Class A Accumulating Hedged (RMB)	-	-	8,082.03	-	-
- Class A Distributing (USD)	580,836.81	927,772.01	-	385,805.73	176,650.67
- Class A Distributing (HKD)	539,767.43	1,084,872.00	-	101,767.80	330,534.19
- Class A Distributing (RMB)	-	-	-	-	368,231.10
- Class A Distributing Hedged (AUD)	277,317.07	768,195.14	-	-	-
- Class A Distributing Hedged (NZD)	383,172.34	-	-	-	-
- Class A Distributing Hedged (RMB)	118,630.22	743,770.63	-	-	-
	<u>1,901,554.39</u>	<u>3,590,906.97</u>	<u>164,060.60</u>	<u>487,573.53</u>	<u>875,415.96</u>
The Bank of East Asia (China) Limited					
- Class A Accumulating (USD)	103,247.71	-	-	-	-
- Class A Accumulating (HKD)	-	-	314,307.70	-	-
- Class A Accumulating Hedged (RMB)	-	-	70,449.20	-	-
- Class A Distributing (USD)	286,458.53	-	-	161,762.00	-
- Class A Distributing Hedged (RMB)	587,103.08	-	-	-	-
	<u>976,809.32</u>	<u>-</u>	<u>384,756.90</u>	<u>161,762.00</u>	<u>-</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 7. Capital management and shares in issue

The Sub-funds' capital at the reporting date is represented by its redeemable shares.

The Sub-funds' objective in managing the capital is to ensure a stable and strong base to achieve long term capital growth, and to manage liquidity risk arising from the redemptions. The Manager manages the capital of the Sub-funds in accordance with the Sub-funds' investment objectives and policies stated in the Sub-funds' Prospectus.

There were no changes in the policies and procedures during the period with respect to the Sub-funds' approach to its capital management.

The amount and the movement of net assets attributable to shareholders are stated in the statement of changes in net assets attributable to shareholders. As the redeemable share are redeemed on demand at the shareholders' option, the actual level of redemption may differ significantly from historic experience.

One management share was issued to the Manager by the Company. Redeemable shares were issued by the Sub-funds and the movement are shown in the table below.

##### (a) Number of shares in issue

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
<b>Class A (Accumulating)</b>					
Balance at the beginning of the period	-	-	-	-	-
Shares subscribed during the period	148,135.37	66,589.98	101,369.26	-	-
Shares redeemed during the period	(42,503.21)	(149.98)	-	-	-
Balance at the end of the period	<u>105,632.16</u>	<u>66,440.00</u>	<u>101,369.26</u>	<u>-</u>	<u>-</u>
<b>Class A HKD (Accumulating)</b>					
Balance at the beginning of the period	-	-	-	-	-
Shares subscribed during the period	-	-	470,558.84	-	-
Shares redeemed during the period	-	-	(100,750.08)	-	-
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>369,808.76</u>	<u>-</u>	<u>-</u>
<b>Class A RMB (Hedged) (Accumulating)</b>					
Balance at the beginning of the period	-	-	-	-	-
Shares subscribed during the period	-	-	124,421.63	-	-
Shares redeemed during the period	-	-	(19,298.24)	-	-
Balance at the end of the period	<u>-</u>	<u>-</u>	<u>105,123.39</u>	<u>-</u>	<u>-</u>

BU INVESTMENT SERIES OFC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Capital management and shares in issue (continued)

(a) Number of shares in issue (continued)

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
<b>Class A (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	1,061,730.85	1,120,083.45	–	755,809.21	392,206.25
Shares redeemed during the period	(181,867.68)	(176,149.33)	–	(206,087.00)	(90,324.88)
Balance at the end of the period	<u>879,863.17</u>	<u>943,934.12</u>	<u>–</u>	<u>549,722.21</u>	<u>301,881.37</u>
<b>Class A HKD (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	595,737.31	1,407,018.66	–	145,144.68	1,635,888.39
Shares redeemed during the period	(49,185.73)	(271,463.82)	–	(43,376.88)	(1,205,764.28)
Balance at the end of the period	<u>546,551.58</u>	<u>1,135,554.84</u>	<u>–</u>	<u>101,767.80</u>	<u>430,124.11</u>
<b>Class A RMB (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	–	–	–	–	543,124.77
Shares redeemed during the period	–	–	–	–	(173,610.41)
Balance at the end of the period	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>369,514.36</u>

BU INVESTMENT SERIES OFC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

7. Capital management and shares in issue (continued)

(a) Number of shares in issue (continued)

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU China Gateway Fund <sup>(1)</sup> 2022 Shares	BU China Phoenix Fund <sup>(1)</sup> 2022 Shares	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 Shares	BU RMB Core Bond Fund <sup>(1)</sup> 2022 Shares
<b>Class A AUD (Hedged) (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	307,770.20	1,027,637.71	–	–	–
Shares redeemed during the period	(22,492.01)	(259,442.57)	–	–	–
Balance at the end of the period	<u>285,278.19</u>	<u>768,195.14</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Class A NZD (Hedged) (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	385,765.41	–	–	–	–
Shares redeemed during the period	(2,593.07)	–	–	–	–
Balance at the end of the period	<u>383,172.34</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
<b>Class A RMB (Hedged) (Distributing)</b>					
Balance at the beginning of the period	–	–	–	–	–
Shares subscribed during the period	816,337.90	849,359.98	–	–	–
Shares redeemed during the period	(102,562.31)	(66,320.25)	–	–	–
Balance at the end of the period	<u>713,775.59</u>	<u>783,039.73</u>	<u>–</u>	<u>–</u>	<u>–</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 7. Capital management and shares in issue (continued)

##### (b) Net asset value per share

Different classes of shares may be offered for the Sub-funds. Each class of shares may be denominated in a different class currency or may have different charging structure or class specific liabilities with the result that the net asset value attributable to each class of shares of the Sub-funds may differ. In addition, each class of shares may be subject to different minimum initial subscription amount, minimum subsequent subscription amount, minimum holding amount and minimum redemption amount. At the end of the reporting period, the net asset value per share of each class is as follows:

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>	BU China Gateway Fund <sup>(1)</sup>	BU China Phoenix Fund <sup>(1)</sup>	BU Global Flexi Allocation Fund <sup>(1)</sup>	BU RMB Core Bond Fund <sup>(1)</sup>
	2022	2022	2022	2022	2022
<i>Class A (Accumulating)</i>					
At the beginning of the period	US\$ 14.26	US\$ 11.67	US\$ 14.93	US\$ –	US\$ –
At the end of the period	<u>US\$ 10.88</u>	<u>US\$ 8.89</u>	<u>US\$ 10.33</u>	<u>US\$ –</u>	<u>US\$ –</u>
<i>Class A HKD (Accumulating)</i>					
At the beginning of the period	HK\$ –	HK\$ –	HK\$ 149.55	HK\$ –	HK\$ –
At the end of the period	<u>HK\$ –</u>	<u>HK\$ –</u>	<u>HK\$ 103.75</u>	<u>HK\$ –</u>	<u>HK\$ –</u>
<i>Class A RMB (Hedged) (Accumulating)</i>					
At the beginning of the period	RMB –	RMB –	RMB 158.40	RMB –	RMB –
At the end of the period	<u>RMB –</u>	<u>RMB –</u>	<u>RMB 109.42</u>	<u>RMB –</u>	<u>RMB –</u>
<i>Class A (Distributing)</i>					
At the beginning of the period	US\$ 11.05	US\$ 9.93	US\$ –	US\$ 11.36	US\$ 8.82
At the end of the period	<u>US\$ 7.90</u>	<u>US\$ 7.12</u>	<u>US\$ –</u>	<u>US\$ 9.46</u>	<u>US\$ 7.65</u>
<i>Class A HKD (Distributing)</i>					
At the beginning of the period	HK\$ 111.12	HK\$ 98.79	HK\$ –	HK\$ 113.55	HK\$ 88.51
At the end of the period	<u>HK\$ 79.64</u>	<u>HK\$ 71.03</u>	<u>HK\$ –</u>	<u>HK\$ 94.86</u>	<u>HK\$ 77.22</u>
<i>Class A RMB (Distributing)</i>					
At the beginning of the period	RMB –	RMB –	RMB –	RMB –	RMB 94.19
At the end of the period	<u>RMB –</u>	<u>RMB –</u>	<u>RMB –</u>	<u>RMB –</u>	<u>RMB 87.60</u>
<i>Class A AUD (Hedged) (Distributing)</i>					
At the beginning of the period	AU\$ 9.55	AU\$ 9.34	AU\$ –	AU\$ –	AU\$ –
At the end of the period	<u>AU\$ 6.67</u>	<u>AU\$ 6.57</u>	<u>AU\$ –</u>	<u>AU\$ –</u>	<u>AU\$ –</u>
<i>Class A NZD (Hedged) (Distributing)</i>					
At the beginning of the period	NZ\$ 9.79	NZ\$ –	NZ\$ –	NZ\$ –	NZ\$ –
At the end of the period	<u>NZ\$ 6.89</u>	<u>NZ\$ –</u>	<u>NZ\$ –</u>	<u>NZ\$ –</u>	<u>NZ\$ –</u>
<i>Class A RMB (Hedged) (Distributing)</i>					
At the beginning of the period	RMB 109.15	RMB 96.81	RMB –	RMB –	RMB –
At the end of the period	<u>RMB 76.60</u>	<u>RMB 68.12</u>	<u>RMB –</u>	<u>RMB –</u>	<u>RMB –</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021. The net asset value per share at the beginning of the period represents the launch price.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks

The investment objective of BU Asia Pacific Flexi Allocation Fund is to seek long-term capital growth and income through investing in equity securities or debt securities, that are either (a) traded in the Asia Pacific region or (b) issued by companies incorporated in the Asia Pacific region or companies which have significant operations in or derive significant portion of revenue from the Asia Pacific region.

The investment objective of BU China Gateway Fund is to seek medium to long term capital growth and income through investing primarily in equity securities and/or debt securities, that are either (a) traded in China or (b) issued by entities incorporated in China or entities which have significant operations in or assets in, or derive significant portion of revenue or profits from China.

The investment objective of BU China Phoenix Fund is to seek long-term capital appreciation through investing primarily in Chinese equity securities.

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

The investment objective of BU RMB Core Bond Fund is to seek income and long-term capital growth by investing in debt securities and other assets that are denominated in RMB and other currencies.

The Sub-funds' investing activities expose it to various types of risks that are associated with the financial instruments and markets in which it invests. The Manager and the Custodian have set out below the most important types of financial risks inherent in each type of financial instruments. The Manager and the Custodian would like to highlight that the following list of associated risks only sets out some of the risks but does not purport to constitute an exhaustive list of all the risks inherent in an investment in the Sub-funds. Shareholders should note that additional information in respect of risks associated with financial instruments in the Sub-funds can be found in the Sub-funds' Prospectus.

The Directors delegate the investment function of the Sub-funds to the Manager.

The nature and extent of the financial instruments outstanding at the end of the reporting period and the risk management policies employed by the Sub-funds are discussed below.

##### (a) Market risk

Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and price risk. The Sub-funds' strategies on the management of market risk are driven by the Sub-funds' investment objectives.

The Sub-funds' market risk is managed on a regular basis by the Manager in accordance with policies and procedures in place. The Sub-funds' overall market position is monitored on a yearly basis by the Custodian. Details of the nature of the Sub-funds' investment portfolios at the reporting date are disclosed in the investment report.

##### (i) Currency risk

The Sub-funds hold assets and liabilities denominated in currencies other than their functional currencies and are therefore exposed to currency risk that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the fair value of the Sub-funds' assets and liabilities denominated in currencies other than USD/RMB.

The fluctuations in the rate of exchange between the currency in which the asset or liability is denominated and the functional currency could result in an appreciation or depreciation in the fair value of that asset or liability. The Manager monitors all the Sub-funds' foreign currency positions on a regular basis.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (a) Market risk (continued)

###### (i) Currency risk (continued)

###### Sensitivity analysis

Net direct exposure of each sub-fund except for BEA Union Investment RMB Core Bond Fund to each currency other than USD and HKD at the reporting date and their estimated impact to net assets attributable to shareholders and the change in net assets attributable to shareholders from operations for the period had the USD weakened by 5% are illustrated below.

	As at 31 December 2022	
	Net direct exposure US\$	Estimated increase had the USD weakened by 5% US\$
<b>BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup></b>		
Australian Dollar	4,532,844	226,642
Indonesian Rupiah	958,275	47,914
Indian Rupee	2,016,634	100,832
New Zealand Dollar	1,693,872	84,694
New Taiwan Dollar	1,307,459	65,373
Philippines Peso	429,327	21,466
Renminbi (Offshore)	8,562,631	428,132
Renminbi (Onshore)	753,899	37,695
Singapore Dollar	726,697	36,335
Korean Won	1,179,436	58,972
<b>BU China Gateway Fund <sup>(1)</sup></b>		
Australian Dollar	3,339,966	166,998
Renminbi (Offshore)	9,323,746	466,187
Renminbi (Onshore)	2,444,635	122,232
Singapore Dollar	253,504	12,675
<b>BU China Phoenix Fund <sup>(1)</sup></b>		
Renminbi (Offshore)	3,064,939	153,247
Renminbi (Onshore)	522	26
<b>BU Global Flexi Allocation Fund <sup>(1)</sup></b>		
British Pound	562,178	28,109

A 5% appreciation of USD against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (a) Market risk (continued)

###### (i) Currency risk (continued)

BU RMB Core Bond Fund's net direct exposure to each currency other than RMB at the reporting date and its estimated impact to net assets attributable to shareholders and the total comprehensive income for the period had the RMB weakened by 5% are illustrated below.

	As at 31 December 2022	
	Net direct exposure RMB	Estimated increase had the USD weakened by 5% RMB
<b>BU RMB Core Bond Fund <sup>(1)</sup></b>		
Hong Kong Dollar	(35,012)	(1,751)
United States Dollar	1,238,115	61,906

A 5% appreciation of RMB against the above currencies would have resulted in an equal but opposite effect on the financial statements, on the basis that all other variables remain constant.

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

###### (ii) Interest rate risk

Interest rate risk arises from changes in interest rates which may inversely affect the value of debt instruments and therefore result in potential gain or loss to the Sub-funds. The Sub-funds' interest rate risk is managed on a regular basis by the Manager.

Except for BU Asia Pacific Flexi Allocation Fund and BU RMB Core Bond Fund, all the other sub-funds did not have any interest-bearing liabilities as at period-end and their interest-bearing assets were limited to bank deposits; accordingly it is considered that they do not have significant direct interest rate risk exposure.

The following tables illustrates the interest rate risk exposure of BU Asia Pacific Flexi Allocation Fund and BU RMB Core Bond Fund. It includes their interest rate sensitivity gaps and the period in which the interest bearing assets and liabilities reprice (the earlier of contractual re-pricing or maturity) as at period end.

BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>

##### As at 31 December 2022

	Up to 1 year US\$	1 - 5 years US\$	Over 5 years US\$	Non-interest bearing US\$	Total US\$
<b>Assets</b>					
Investments	200,460	2,844,812	2,133,313	17,983,834	23,162,419
Cash and cash equivalents	1,323,752	–	–	–	1,323,752
Amounts due from brokers	–	–	–	5	5
Other assets	–	–	–	117,633	117,633
Total assets	1,524,212	2,844,812	2,133,313	18,101,472	24,603,809
<b>Liabilities (excluding net assets attributable to shareholders)</b>					
Other liabilities	–	–	–	57,391	57,391
Total interest sensitivity gap	1,524,212	2,844,812	2,133,313	–	–

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (a) Market risk (continued)

(ii) Interest rate risk (continued)

BU RMB Core Bond Fund <sup>(1)</sup>

As at 31 December 2022

	Up to 1 year RMB	1 - 5 years RMB	Over 5 years RMB	Non-interest bearing RMB	Total RMB
<b>Assets</b>					
Investments	11,123,446	52,803,007	–	12,628,4274	76,554,880
Cash and cash equivalents	958,113	–	–	–	958,113
Other assets	–	–	–	472,102	472,102
Total assets	12,081,559	52,803,007	–	13,100,529	77,985,095
<b>Liabilities (excluding net assets attributable to shareholders)</b>					
Other liabilities	–	–	–	173,021	173,021
Total interest sensitivity gap	12,081,559	52,803,007	–	–	–

##### Sensitivity analysis

If the market interest rate at period-end had increased by 50 basis points, with all other variable held constant, it is estimated that the net assets attributable to shareholders and the change in net assets attributable to shareholders from operations for the period would have changed accordingly as shown below:

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU RMB Core Bond Fund <sup>(1)</sup> 2022 RMB
Estimated decrease if interest rate had increased by 50 basis points	(132,632)	(690,997)

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

(iii) Other price risk

Other price risk is the risk that the fair value of the financial instrument will fluctuate as a result of changes in market prices other than those arising from interest rate risk or currency risk, whether caused by factors specific to an individual investment or its issuer or factors affecting all instruments traded in the market.

The breakdown of investments held by the Sub-funds is shown in the investment report.

Each sub-fund's market risk is managed through (i) deliberate securities selection and (ii) diversification of the investment portfolio. The Manager monitors all the Sub-funds' market positions on a regular basis.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (a) Market risk (continued)

(iii) Other price risk (continued)

##### Sensitivity analysis

The Manager projects the possible movement of the relevant market indices ("the potential movement") based on historical experience. If the relevant market indices had changed by the following percentages, which are based on the Manager's best estimate of the potential movement as at the reporting date, with all other variables held constant, it is estimated that the net assets attributable to shareholders and the change in net assets attributable to shareholders for the period would have changed accordingly as shown below.

	BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup> 2022 US\$	BU China Gateway Fund <sup>(1)</sup> 2022 US\$
Relevant market indices	MSCI Asia Pacific ex-Japan NR Index; ICE BofA Asian Dollar Index	MSCI China NR Index; CSI 300 NR; ICE BofA Asian Dollar Investment Grade Corporate China Issuers Index; ICE BofA Asian Dollar High Yield Corporate China Issuer Index
Potential movement of the relevant market indices	(16.64)%	(29.41)%
Estimated decrease	(2,992,831)	(8,208,634)

	BU China Phoenix Fund <sup>(1)</sup> 2022 US\$	BU Global Flexi Allocation Fund <sup>(1)</sup> 2022 US\$
Relevant market indices	MSCI China NR Index	Peer Group Median
Potential movement of the relevant market indices	(26.66)%	(13.88)%
Estimated decrease	(2,027,132)	(852,377)

	BU RMB Core Bond Fund <sup>(1)</sup> 2022 US\$
Relevant market indices	iBoxx ALBI China Offshore Index; Q6AI CNH Hedged Index
Potential movement of the relevant market indices	(3.16)%
Estimated decrease	(398,799)

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (b) Credit risk

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. All transactions in investments are settled on a delivery versus payment basis using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the Custodian has received payments.

For purchase transactions, payments are made once securities have been received by the Custodian. The trade will fail if either party fails to meet their obligation.

The Manager monitors the Sub-funds' credit position on a regular basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of assets and liabilities.

##### Amounts arising from ECL

Impairment on dividend receivables, amounts receivable from sale of investments, other receivables, amounts due from brokers and cash and cash equivalents have been measured on a 12-month expected loss basis and reflects the short maturities of the exposures. The Sub-funds consider that these exposures have low credit risk based on the external credit ratings of the counterparties.

The Sub-funds monitor changes in credit risk on these exposures by tracking published external credit ratings of the counterparties. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in the published ratings, the Sub-funds supplement this by reviewing changes in bond yields, where available and regulatory information about counterparties.

The Manager considers the probability of the counterparties not being able to pay is minimal as they have capacity to meet their contractual obligations in the near term and thus there is no impairment allowance recognised on dividend receivables, amounts receivable from sale of investments, other receivables, amounts due from brokers and Cash and cash equivalents.

##### Credit rating category of debt securities

At the reporting date, BU Asia Pacific Flexi Allocation Fund and BU RMB Core Bond Fund invested in debt securities with the following credit ratings equivalent to which provided by Standard & Poor's credit rating services expressed as a percentage of debt securities:

	31 December 2022 %
<b>BU Asia Pacific Flexi Allocation Fund<sup>(1)</sup></b>	
<b>Portfolio by credit rating category of debt securities</b>	
AAA	10.52
AA-	7.24
A+	31.32
A	24.81
A-	10.28
BBB+	5.59
BBB	6.37
BBB-	3.87
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	100.00
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## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (b) Credit risk (continued)

31 December 2022  
%

##### BU RMB Core Bond Fund<sup>(1)</sup>

##### Portfolio by credit rating category of debt securities

AAA	3.21
AA+	6.37
AA	6.36
AA-	20.57
A+	58.77
A	3.15
NR	1.57
	<hr/>
	100.00
	<hr/> <hr/>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

The Sub-funds' investments and cash are held by and deposited with the Custodian. Bankruptcy or insolvency of the Custodian may cause to Sub-funds' execution of their rights with respect to the assets held by the Custodian to be delayed or limited. The Manager monitors the credit quality of the Custodian on an on-going basis.

Other than the outlined above, there were no significant concentrations of credit risk at 31 December 2022.

##### (c) Liquidity risk

Liquidity risk arises from the risk that the Sub-funds may not be able to convert investments into cash to meet liquidity needs in a timely manner. The Sub-funds' exposure to liquidity risk arises because of the possibility that the Sub-funds could be required to pay its liabilities or redeem its shares earlier than expected. The Sub-funds are exposed to daily cash redemption of its redeemable shares. Shares are redeemable at the shareholders' option based on the Sub-funds' net asset value per share at the time of redemption.

The Sub-funds' policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities to meet its liquidity requirements in the short and long-term.

The Sub-funds invest the majority of assets in investments that are traded in an active market, and can be readily disposed of. The Manager monitors the Sub-funds' liquidity position on a regular basis.

As at 31 December 2022, all the financial liabilities of the Sub-funds are repayable on demand or due within three months.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (d) Specific instruments

As at 31 December 2022, the details of foreign currency forward contracts held by the Sub-funds are as follows:

##### BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>

2022	Expiration	Underlying	Notional amount of contracts outstanding	Fair value US\$
	31 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 55,654,190	65,815
	31 January 2023	Buy Australian Dollars/ Sell United States Dollars	AU\$ 1,933,326	11,563
	31 January 2023	Buy New Zealand Dollars/ Sell United States Dollars	NZ\$ 2,676,346	(19,861)
				<u>57,517</u>

##### BU China Gateway Fund <sup>(1)</sup>

2022	Expiration	Underlying	Notional amount of contracts outstanding	Fair value US\$
	31 January 2023	Buy Australian Dollars/ Sell United States Dollars	AU\$ 5,201,081	31,108
	31 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 56,071,296	66,308
	31 January 2023	Buy United States Dollars/ Sell Australian Dollars	US\$ 189,975	(3,026)
	31 January 2023	Buy United States Dollars/ Sell Renminbi	US\$ 431,126	(3,757)
	31 January 2023	Buy United States Dollars/ Sell Renminbi	US\$ 152,645	(1,774)
				<u>88,859</u>

##### BU China Phoenix Fund <sup>(1)</sup>

2022	Expiration	Underlying	Notional amount of contracts outstanding	Fair value US\$
	31 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 11,874,265	14,043
	31 January 2023	Buy United States Dollars/ Sell Renminbi	US\$ 97,272	(848)
				<u>13,195</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 8. Financial instruments and associated risks (continued)

##### (d) Specific instruments (continued)

##### BU RMB Core Bond Fund <sup>(1)</sup>

2022	Expiration	Underlying	Notional amount of contracts outstanding	Fair value US\$
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 4,300,000	181,972
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 1,700,000	76,064
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 1,700,000	52,072
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 1,000,000	28,065
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 1,000,000	29,058
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 2,000,000	56,685
	17 January 2023	Buy Renminbi/ Sell United States Dollars	RMB 1,300,000	50,433
	17 January 2023	Buy United States Dollars/ Sell Renminbi	US\$ 142,880	(12,815)
				<u>461,534</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund and BU RMB Core Bond Fund was 30 September 2021.

#### 9. Fair value information

The Sub-funds' financial instruments are measured at fair value at the reporting date. Fair value estimates are made at a specified point in time, based on market conditions and information about the financial instruments. Usually, fair values can be reliably determined within a reasonable range of estimates. For certain other financial instruments including interest receivable and other payables, the carrying amounts approximate fair values due to the immediate or short term nature of these financial instruments.

##### Valuation of financial instruments

The Sub-funds' accounting policy on fair value measurements is detailed in significant accounting policy in note 2(d)(v).

The Sub-funds measure fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- Level 1: Inputs that are quoted market prices (unadjusted) in active markets for identical instruments.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques in which all significant inputs are directly or indirectly observable from market data.
- Level 3: Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments but for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 9. Fair value information (continued)

When fair values of listed and quoted investments at the reporting date are based on quoted market prices or binding dealer price quotations in an active market, without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. When fair values of fixed income instruments at the reporting date represent quoted prices on markets that are considered less than active, those fixed income instruments are included within Level 2 of the hierarchy.

Over the counter ("OTC") derivative contracts include forward contracts related to foreign currencies contracts. Foreign currency forward contracts valued by the Sub-funds using pricing models fall into this category and are categorised with Level 2 of the fair value hierarchy.

The following analyses financial instruments at fair value the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorised.

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<b>BU Asia Pacific Flexi Allocation Fund<sup>(1)</sup></b>				
<b>As at 31 December 2022</b>				
Equity securities	15,843,963	–	–	15,843,963
Investment funds	507,114	753,899	–	1,261,013
Real estate investment trusts	717,639	–	–	717,639
Stapled securities	161,219	–	–	161,219
Debt securities	–	5,178,585	–	5,178,585
Foreign currency forward contracts	–	57,517	–	57,517
	<u>17,229,935</u>	<u>5,990,001</u>	<u>–</u>	<u>23,219,936</u>
<b>BU China Gateway Fund<sup>(1)</sup></b>				
<b>As at 31 December 2022</b>				
Equity securities	19,750,007	–	–	19,750,007
Investment funds	5,726,651	2,437,230	–	8,163,881
Foreign currency forward contracts	–	88,859	–	88,859
	<u>25,476,658</u>	<u>2,526,089</u>	<u>–</u>	<u>28,002,747</u>
<b>BU China Phoenix Fund<sup>(1)</sup></b>				
<b>As at 31 December 2022</b>				
Equity securities	7,602,923	–	–	7,602,923
Foreign currency forward contracts	–	13,195	–	13,195
	<u>7,602,923</u>	<u>13,195</u>	<u>–</u>	<u>7,616,118</u>
<b>BU Global Flexi Allocation Fund<sup>(1)</sup></b>				
<b>As at 31 December 2022</b>				
Investment funds	6,139,706	–	–	6,139,706
	RMB	RMB	RMB	RMB
<b>BU RMB Core Bond Fund<sup>(1)</sup></b>				
<b>As at 31 December 2022</b>				
Investment funds	12,628,427	–	–	12,628,427
Debt securities	–	63,926,453	–	63,926,453
Foreign currency forward contracts	–	461,534	–	461,534
	<u>12,628,427</u>	<u>64,387,987</u>	<u>–</u>	<u>77,016,414</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

During the period ended 31 December 2022, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 10. Critical accounting estimates and assumptions

The Custodian makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

##### Fair value of investments

The Sub-funds hold a number of unlisted debt securities that are valued by reference to broker quotes. In determining the fair value of such investments, the Custodian exercises judgments and estimates on the sources of brokers and the quantity and quality of quotes used. Such quotes adopted to fairly value the investments may be indicative only and not executable or legally binding. As such, broker quotes do not necessarily indicate the price at which the security could actually be traded as of 31 December 2022. Actual transacted prices may differ from the quotes provided by the brokers. The Custodian considers that in the absence of any other reliable market sources, the broker quotes available to them reflect the best estimate of fair value.

#### 11. Distributions

##### BU Asia Pacific Flexi Allocation Fund<sup>(1)</sup>

	2022 US\$
Amount available for distribution to shareholders at the beginning of the period	–
Profit for the period available for distribution*	179,055
Distributions to shareholders	<u>(2,046,260)</u>
Undistributed income carried forward	<u>(1,867,205)</u>

\* Profit for the period available for distribution is the adjusted total comprehensive income for the period, for which the calculation basis is in accordance with the dividend record and schedule issued by BEA Union Investment Management Limited.

##### Distribution history:

##### Class A AUD (Hedged) (Distributing) Shares

	2022 US\$
AU\$0.04200 per share on 297,246.10 shares on 12 October 2021	9,267
AU\$0.04000 per share on 283,204.08 shares on 12 November 2021	8,293
AU\$0.04000 per share on 286,096.17 shares on 14 December 2021	8,145
AU\$0.04000 per share on 286,096.17 shares on 14 January 2022	8,276
AU\$0.04000 per share on 286,096.17 shares on 14 February 2022	8,145
AU\$0.03700 per share on 286,096.17 shares on 14 March 2022	7,651
AU\$0.03700 per share on 286,096.17 shares on 14 April 2022	7,848
AU\$0.03700 per share on 286,096.17 shares on 13 May 2022	7,316
AU\$0.03500 per share on 288,068.47 shares on 14 June 2022	6,942
AU\$0.03400 per share on 288,068.47 shares on 14 July 2022	6,565
AU\$0.03100 per share on 285,278.19 shares on 12 August 2022	6,281
AU\$0.03100 per share on 285,278.19 shares on 14 September 2022	5,971
AU\$0.03000 per share on 285,278.19 shares on 14 October 2022	5,342
AU\$0.02700 per share on 285,278.19 shares on 14 November 2022	5,170
AU\$0.02700 per share on 285,278.19 shares on 14 December 2022	5,289
	<u>106,501</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

##### *BU Asia Pacific Flexi Allocation Fund<sup>(1)</sup> (continued)*

##### Distribution history (continued):

	2022 US\$
<b>Class A HKD (Distributing) Shares</b>	
HK\$0.48000 per share on 582,818.36 shares on 12 October 2021	35,966
HK\$0.46000 per share on 582,428.18 shares on 12 November 2021	34,383
HK\$0.46000 per share on 583,748.62 shares on 14 December 2021	34,411
HK\$0.46000 per share on 576,361.93 shares on 14 January 2022	34,058
HK\$0.46000 per share on 579,200.68 shares on 14 February 2022	34,155
HK\$0.44000 per share on 577,230.24 shares on 14 March 2022	32,437
HK\$0.44000 per share on 577,037.74 shares on 14 April 2022	32,375
HK\$0.44000 per share on 577,037.74 shares on 13 May 2022	32,344
HK\$0.41000 per share on 577,037.74 shares on 14 June 2022	30,138
HK\$0.40000 per share on 569,367.87 shares on 14 July 2022	29,012
HK\$0.36000 per share on 565,937.63 shares on 12 August 2022	25,994
HK\$0.36000 per share on 564,899.74 shares on 14 September 2022	25,909
HK\$0.36000 per share on 560,970.89 shares on 14 October 2022	25,726
HK\$0.32000 per share on 560,970.89 shares on 14 November 2022	22,908
HK\$0.32000 per share on 546,551.58 shares on 14 December 2022	22,502
	<u>452,318</u>

##### **Class A NZD (Hedged) (Distributing) Shares**

NZ\$0.04300 per share on 80,311.34 shares on 12 October 2021	2,427
NZ\$0.04100 per share on 385,765.41 shares on 12 November 2021	11,128
NZ\$0.04100 per share on 385,765.41 shares on 14 December 2021	10,686
NZ\$0.04100 per share on 383,172.34 shares on 14 January 2022	10,715
NZ\$0.04100 per share on 383,172.34 shares on 14 February 2022	10,378
NZ\$0.03800 per share on 383,172.34 shares on 14 March 2022	9,877
NZ\$0.03800 per share on 383,172.34 shares on 14 April 2022	9,879
NZ\$0.03800 per share on 383,172.34 shares on 13 May 2022	9,114
NZ\$0.03600 per share on 383,172.34 shares on 14 June 2022	8,582
NZ\$0.03500 per share on 383,172.34 shares on 14 July 2022	8,165
NZ\$0.03200 per share on 383,172.34 shares on 12 August 2022	7,888
NZ\$0.03200 per share on 383,172.34 shares on 14 September 2022	7,378
NZ\$0.03100 per share on 383,172.34 shares on 14 October 2022	6,633
NZ\$0.02800 per share on 383,172.34 shares on 14 November 2022	6,553
NZ\$0.02800 per share on 383,172.34 shares on 14 December 2022	6,923
	<u>126,326</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

##### *BU Asia Pacific Flexi Allocation Fund<sup>(1)</sup> (continued)*

##### Distribution history (continued):

	2022 US\$
<b>Class A RMB (Hedged) (Distributing) Shares</b>	
RMB0.70000 per share on 527,860.96 shares on 12 October 2021	57,386
RMB0.66000 per share on 596,398.38 shares on 12 November 2021	61,755
RMB0.66000 per share on 598,233.48 shares on 14 December 2021	61,934
RMB0.66000 per share on 624,390.79 shares on 14 January 2022	64,856
RMB0.66000 per share on 657,812.82 shares on 14 February 2022	68,284
RMB0.03700 per share on 667,840.94 shares on 14 March 2022	3,867
RMB1.21000 per share on 674,326.83 shares on 14 April 2022	127,642
RMB0.63000 per share on 672,174.80 shares on 13 May 2022	62,249
RMB0.58000 per share on 699,645.78 shares on 14 June 2022	60,062
RMB0.53000 per share on 705,306.23 shares on 14 July 2022	55,162
RMB0.41000 per share on 711,967.07 shares on 12 August 2022	43,309
RMB0.41000 per share on 702,466.06 shares on 14 September 2022	41,335
RMB0.40000 per share on 709,413.92 shares on 14 October 2022	39,372
RMB0.31000 per share on 709,311.60 shares on 14 November 2022	31,144
RMB0.31000 per share on 713,775.59 shares on 14 December 2022	31,861
	<u>810,218</u>

##### **Class A USD (Distributing) Shares**

US\$0.04800 per share on 875,089.44 shares on 12 October 2021	42,004
US\$0.04600 per share on 877,392.43 shares on 12 November 2021	40,360
US\$0.04600 per share on 877,205.21 shares on 14 December 2021	40,351
US\$0.04600 per share on 891,656.25 shares on 14 January 2022	41,016
US\$0.04600 per share on 900,601.09 shares on 14 February 2022	41,428
US\$0.04300 per share on 904,087.27 shares on 14 March 2022	38,876
US\$0.04300 per share on 888,454.46 shares on 14 April 2022	38,204
US\$0.04300 per share on 890,287.66 shares on 13 May 2022	38,282
US\$0.04100 per share on 921,096.40 shares on 14 June 2022	37,765
US\$0.03900 per share on 929,805.58 shares on 14 July 2022	36,262
US\$0.03600 per share on 933,133.76 shares on 12 August 2022	33,593
US\$0.03600 per share on 945,115.35 shares on 14 September 2022	34,024
US\$0.03500 per share on 927,829.79 shares on 14 October 2022	32,474
US\$0.03200 per share on 905,702.71 shares on 14 November 2022	28,982
US\$0.03100 per share on 879,850.75 shares on 14 December 2022	27,276
	<u>550,897</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

	2022 US\$
<b>BU China Gateway Fund<sup>(1)</sup></b>	
Amount available for distribution to shareholders at the beginning of the period	–
Profit for the period available for distribution*	(310,785)
Distributions to shareholders	(2,108,704)
	<u>(2,419,489)</u>
Undistributed income carried forward	<u>(2,419,489)</u>

\* Profit for the period available for distribution is the adjusted total comprehensive income for the period, for which the calculation basis is in accordance with the dividend record and schedule issued by BEA Union Investment Management Limited.

#### Distribution history:

	2022 US\$
<b>Class A AUD (Hedged) (Distributing) Shares</b>	
AU\$0.04300 per share on 963,952.08 shares on 12 October 2021	30,766
AU\$0.04050 per share on 953,228.44 shares on 12 November 2021	28,263
AU\$0.04100 per share on 938,080.92 shares on 14 December 2021	27,375
AU\$0.03700 per share on 938,080.92 shares on 14 January 2022	25,102
AU\$0.03300 per share on 868,951.85 shares on 14 February 2022	20,499
AU\$0.03200 per share on 884,975.84 shares on 14 March 2022	20,468
AU\$0.03100 per share on 880,410.95 shares on 14 April 2022	20,233
AU\$0.02900 per share on 839,629.54 shares on 13 May 2022	16,829
AU\$0.02800 per share on 835,670.75 shares on 14 June 2022	16,110
AU\$0.02800 per share on 818,224.08 shares on 14 July 2022	15,356
AU\$0.02900 per share on 798,226.35 shares on 12 August 2022	16,441
AU\$0.02700 per share on 798,226.35 shares on 14 September 2022	14,551
AU\$0.02600 per share on 768,195.14 shares on 14 October 2022	12,466
AU\$0.02400 per share on 768,195.14 shares on 14 November 2022	12,374
AU\$0.02100 per share on 768,195.14 shares on 14 December 2022	11,076
	<u>287,909</u>

#### Class A HKD (Distributing) Shares

HK\$0.46000 per share on 1,297,531.89 shares on 12 October 2021	76,736
HK\$0.42800 per share on 1,260,572.51 shares on 12 November 2021	69,239
HK\$0.43000 per share on 1,292,205.62 shares on 14 December 2021	71,205
HK\$0.40000 per share on 1,222,911.94 shares on 14 January 2022	62,839
HK\$0.35000 per share on 1,213,225.77 shares on 14 February 2022	54,434
HK\$0.34000 per share on 1,213,301.34 shares on 14 March 2022	52,686
HK\$0.33000 per share on 1,213,392.37 shares on 14 April 2022	51,058
HK\$0.31000 per share on 1,178,467.98 shares on 13 May 2022	46,538
HK\$0.30000 per share on 1,177,764.72 shares on 14 June 2022	45,010
HK\$0.30000 per share on 1,176,008.50 shares on 14 July 2022	44,943
HK\$0.31000 per share on 1,163,063.20 shares on 12 August 2022	46,000
HK\$0.29000 per share on 1,141,457.24 shares on 14 September 2022	42,173
HK\$0.28000 per share on 1,139,579.17 shares on 14 October 2022	40,648
HK\$0.25000 per share on 1,135,647.91 shares on 14 November 2022	36,231
HK\$0.23000 per share on 1,135,498.97 shares on 14 December 2022	33,601
	<u>773,341</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

#### BU China Gateway Fund<sup>(1)</sup> (continued)

#### Distribution history (continued):

2022  
US\$

#### Class A RMB (Hedged) (Distributing) Shares

RMB0.64000 per share on 358,469.54 shares on 12 October 2021	35,630
RMB0.60500 per share on 384,188.45 shares on 12 November 2021	36,466
RMB0.61000 per share on 555,857.14 shares on 14 December 2021	53,187
RMB0.57000 per share on 575,538.89 shares on 14 January 2022	51,630
RMB0.52000 per share on 575,566.07 shares on 14 February 2022	47,073
RMB0.50000 per share on 575,566.07 shares on 14 March 2022	45,040
RMB0.49000 per share on 577,666.71 shares on 14 April 2022	44,281
RMB0.46000 per share on 571,199.20 shares on 13 May 2022	38,624
RMB0.44000 per share on 577,581.11 shares on 14 June 2022	37,615
RMB0.41000 per share on 572,661.21 shares on 14 July 2022	34,647
RMB0.35000 per share on 578,817.65 shares on 12 August 2022	30,057
RMB0.33000 per share on 573,599.65 shares on 14 September 2022	27,166
RMB0.32000 per share on 568,149.15 shares on 14 October 2022	25,225
RMB0.24000 per share on 798,711.62 shares on 14 November 2022	27,150
RMB0.22000 per share on 798,711.62 shares on 14 December 2022	25,301
	<u>559,092</u>

#### Class A USD (Distributing) Shares

US\$0.04600 per share on 1,012,366.00 shares on 12 October 2021	46,569
US\$0.04300 per share on 1,042,223.18 shares on 12 November 2021	44,816
US\$0.04300 per share on 1,039,385.77 shares on 14 December 2021	44,694
US\$0.04000 per share on 1,000,856.63 shares on 14 January 2022	40,034
US\$0.03500 per share on 963,844.38 shares on 14 February 2022	33,735
US\$0.03400 per share on 963,858.15 shares on 14 March 2022	32,771
US\$0.03300 per share on 949,481.42 shares on 14 April 2022	31,333
US\$0.03100 per share on 949,497.13 shares on 13 May 2022	29,434
US\$0.03000 per share on 940,210.09 shares on 14 June 2022	28,206
US\$0.03000 per share on 940,225.65 shares on 14 July 2022	28,207
US\$0.03100 per share on 947,103.81 shares on 12 August 2022	29,360
US\$0.02900 per share on 945,011.58 shares on 14 September 2022	27,405
US\$0.02800 per share on 945,028.89 shares on 14 October 2022	26,461
US\$0.02500 per share on 945,048.02 shares on 14 November 2022	23,626
US\$0.02300 per share on 943,916.31 shares on 14 December 2022	21,711
	<u>488,362</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

	2022 US\$
<b>BU Global Flexi Allocation Fund <sup>(1)</sup></b>	
Amount available for distribution to shareholders at the beginning of the period	–
Profit for the period available for distribution*	24,402
Distributions to shareholders	(482,090)
	<u>(457,668)</u>
Undistributed income carried forward	<u>(457,668)</u>

\* Profit for the period available for distribution is the adjusted total comprehensive income for the period, for which the calculation basis is in accordance with the dividend record and schedule issued by BEA Union Investment Management Limited.

#### Distribution history:

	2022 US\$
<b>Class A HKD (Distributing) Shares</b>	
HK\$0.49300 per share on 83,089.91 shares on 12 October 2021	5,266
HK\$0.47300 per share on 83,107.06 shares on 12 November 2021	5,045
HK\$0.48600 per share on 95,457.40 shares on 14 December 2021	5,945
HK\$0.47700 per share on 130,845.15 shares on 14 January 2022	8,018
HK\$0.46500 per share on 132,998.08 shares on 14 February 2022	7,928
HK\$0.44200 per share on 133,024.47 shares on 14 March 2022	7,509
HK\$0.43600 per share on 110,048.72 shares on 14 April 2022	6,118
HK\$0.43600 per share on 110,075.74 shares on 13 May 2022	6,114
HK\$0.41000 per share on 103,957.57 shares on 14 June 2022	5,430
HK\$0.40700 per share on 99,820.05 shares on 14 July 2022	5,175
HK\$0.35900 per share on 99,063.15 shares on 12 August 2022	4,537
HK\$0.37800 per share on 109,565.92 shares on 14 September 2022	5,277
HK\$0.36400 per share on 103,270.70 shares on 14 October 2022	4,789
HK\$0.33900 per share on 101,706.80 shares on 14 November 2022	4,400
HK\$0.35700 per share on 101,737.01 shares on 14 December 2022	4,673
	<u>86,224</u>

#### Class A USD (Distributing) Shares

US\$0.04930 per share on 707,873.32 shares on 12 October 2021	34,898
US\$0.04730 per share on 705,987.39 shares on 12 November 2021	33,393
US\$0.04860 per share on 717,021.70 shares on 14 December 2021	34,847
US\$0.04760 per share on 615,633.40 shares on 14 January 2022	29,304
US\$0.04650 per share on 625,250.63 shares on 14 February 2022	29,074
US\$0.04410 per share on 625,250.63 shares on 14 March 2022	27,574
US\$0.04350 per share on 615,043.14 shares on 14 April 2022	26,754
US\$0.04350 per share on 615,043.14 shares on 13 May 2022	26,754
US\$0.04070 per share on 609,450.68 shares on 14 June 2022	24,805
US\$0.04040 per share on 606,685.06 shares on 14 July 2022	24,510
US\$0.03560 per share on 599,214.37 shares on 12 August 2022	21,332
US\$0.03750 per share on 588,601.21 shares on 14 September 2022	22,073
US\$0.03610 per share on 586,067.30 shares on 14 October 2022	21,157
US\$0.03360 per share on 572,513.00 shares on 14 November 2022	19,236
US\$0.03540 per share on 569,346.16 shares on 14 December 2022	20,155
	<u>395,866</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

	2022 RMB
<b>BU RMB Core Bond Fund <sup>(1)</sup></b>	
Amount available for distribution to shareholders at the beginning of the period	–
Profit for the period available for distribution*	3,226,411
Distributions to shareholders	(6,445,559)
	<u>(3,219,148)</u>
Undistributed income carried forward	<u>(3,219,148)</u>

\* Profit for the period available for distribution is the adjusted total comprehensive income for the period, for which the calculation basis is in accordance with the dividend record and schedule issued by BEA Union Investment Management Limited.

#### Distribution history:

	2022 RMB
<b>Class A HKD (Distributing) Shares</b>	
HK\$0.36000 per share on 1,550,657.72 shares on 12 October 2021	462,118
HK\$0.36000 per share on 1,568,109.32 shares on 12 November 2021	461,773
HK\$0.36000 per share on 1,558,494.28 shares on 14 December 2021	458,361
HK\$0.36000 per share on 1,556,287.25 shares on 14 January 2022	457,310
HK\$0.33000 per share on 465,532.32 shares on 14 February 2022	125,214
HK\$0.33000 per share on 488,106.39 shares on 14 March 2022	131,445
HK\$0.33000 per share on 488,106.39 shares on 14 April 2022	131,293
HK\$0.32000 per share on 474,200.72 shares on 13 May 2022	131,503
HK\$0.31000 per share on 463,006.10 shares on 14 June 2022	123,534
HK\$0.31000 per share on 450,554.48 shares on 14 July 2022	120,573
HK\$0.30000 per share on 447,448.80 shares on 12 August 2022	115,432
HK\$0.30000 per share on 442,566.76 shares on 14 September 2022	117,861
HK\$0.30000 per share on 441,581.54 shares on 14 October 2022	121,629
HK\$0.28000 per share on 441,621.38 shares on 14 November 2022	111,414
HK\$0.28000 per share on 440,635.47 shares on 14 December 2022	110,237
	<u>3,179,697</u>

#### Class A RMB (Distributing) Shares

RMB0.39000 per share on 505,104.62 shares on 12 October 2021	196,991
RMB0.39000 per share on 516,488.32 shares on 12 November 2021	201,430
RMB0.39000 per share on 483,940.77 shares on 14 December 2021	188,737
RMB0.39000 per share on 441,737.45 shares on 14 January 2022	172,278
RMB0.35000 per share on 441,392.64 shares on 14 February 2022	154,487
RMB0.34000 per share on 448,279.07 shares on 14 March 2022	152,415
RMB0.34000 per share on 443,271.49 shares on 14 April 2022	150,712
RMB0.34000 per share on 414,337.03 shares on 13 May 2022	140,875
RMB0.33000 per share on 414,337.03 shares on 14 June 2022	136,731
RMB0.33000 per share on 411,515.38 shares on 14 July 2022	135,800
RMB0.33000 per share on 401,010.41 shares on 12 August 2022	132,333
RMB0.33000 per share on 402,283.45 shares on 14 September 2022	132,754
RMB0.33000 per share on 398,613.82 shares on 14 October 2022	131,543
RMB0.33000 per share on 385,717.62 shares on 14 November 2022	127,287
RMB0.33000 per share on 377,770.02 shares on 14 December 2022	124,664
	<u>2,279,037</u>

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 11. Distributions (continued)

##### BU RMB Core Bond Fund <sup>(1)</sup> (continued)

##### Distribution history (continued) :

	2022 RMB
<b>Class A USD (Distributing) Shares</b>	
US\$0.03600 per share on 357,389.88 shares on 12 October 2021	82,843
US\$0.03600 per share on 313,155.00 shares on 12 November 2021	71,857
US\$0.03600 per share on 335,152.94 shares on 14 December 2021	76,919
US\$0.03600 per share on 307,937.77 shares on 14 January 2022	70,439
US\$0.03300 per share on 303,452.62 shares on 14 February 2022	63,669
US\$0.03300 per share on 303,452.62 shares on 14 March 2022	63,984
US\$0.03300 per share on 303,452.62 shares on 14 April 2022	64,013
US\$0.03200 per share on 303,452.62 shares on 13 May 2022	66,059
US\$0.03000 per share on 303,452.62 shares on 14 June 2022	61,506
US\$0.03000 per share on 303,452.62 shares on 14 July 2022	61,691
US\$0.03000 per share on 303,452.62 shares on 12 August 2022	61,359
US\$0.03000 per share on 301,881.37 shares on 14 September 2022	63,103
US\$0.02900 per share on 301,881.37 shares on 14 October 2022	63,097
US\$0.02800 per share on 301,881.37 shares on 14 November 2022	59,679
US\$0.02700 per share on 301,881.37 shares on 14 December 2022	56,607
	<u>986,825</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

#### 12. Soft dollar commission

As regards to the Sub-funds, the Manager has not entered into any soft dollar commission arrangements during the period from 30 September 2021 (date of commencement) to 31 December 2022.

#### 13. Segment information

The Manager makes the strategic resource allocation on behalf of the Company and the Sub-funds and determines the operating segments based on the internal reporting used to make strategic decisions. The Manager's asset allocation decisions for the Sub-funds are based on one single, integrated investment strategy, and the Sub-funds' performance is evaluated on an overall basis. Accordingly the Manager considers that the Sub-funds have one single operating segment which is investing in a portfolio of financial instruments to generate investment returns in accordance with the investment objective stipulated in the Prospectus. The investment objectives and the investment portfolio of each sub-fund are presented in the investment report.

There were no changes in the operating segment during the period.

The internal reporting provided to the Manager is the same as that disclosed in the statement of comprehensive income and the statement of assets and liabilities.

#### 14. Bank loans, overdrafts and other borrowings

The Sub-funds had no bank loans, overdrafts or other borrowings as at 31 December 2022.

#### 15. Security lending arrangements

During the period ended 31 December 2022, the Sub-funds did not enter into any security lending arrangements.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 16. Negotiability of assets

As at 31 December 2022, there were no statutory or contractual requirements restricting the negotiability of the assets of the Sub-funds.

#### 17. Commitments

As at 31 December 2022, the Sub-funds had no commitments.

#### 18. Contingent liabilities and capital commitment

As at 31 December 2022, the Sub-funds had no contingent liabilities or capital commitment outstanding.

#### 19. Involvement with unconsolidated structured entities

The Sub-funds have concluded that listed and unlisted open-ended investment funds, exchange-traded open-ended index-tracking funds and listed real estate investment trusts in which they invest but are not consolidated by the Sub-funds meet the definition of structured entities because:

- the voting rights in the investment funds are not dominant rights in deciding who controls them as they relate to administrative tasks only;
- each investment fund's activities are restricted by its prospectus; and
- the investment funds have narrow and well-defined objectives to provide investment opportunities to investors.

The table below describes the types of structured entities that the Sub-funds do not consolidate but in which they hold an interest.

<i>Type of structured entity</i>	<i>Nature and purpose</i>	<i>Interest held by the Sub-funds</i>
Investment funds	To manage assets on behalf of third party investors and generate fees for the investment manager.	Investments in units issued by the funds
	These vehicles are financed through the issues of units to investors.	

The table below sets out interests held by the Sub-funds in unconsolidated structured entities. The maximum exposure to loss is the carrying amount of the financial assets held by the Sub-funds.

## BU INVESTMENT SERIES OFC

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### 19. Involvement with unconsolidated structured entities (continued)

As at 31 December 2022

	Number of investee funds	Total net assets (in million) US\$	Carrying amount included in "investments" (in million) US\$
<b>BU Asia Pacific Flexi Allocation Fund</b>			
Investment in unlisted open-ended investment funds - Equity long	2	268.5	1.3
Investment in listed real estate investment trusts - Long position	3	130,019.8	0.7
<b>BU China Gateway Fund</b>			
Investment in unlisted open-ended investment funds - Equity long	3	57.2	8.2
<b>BU Global Flexi Allocation Fund</b>			
Investment in unlisted open-ended investment funds - Equity long	29	966,919.3	6.1
		RMB	RMB
<b>BU RMB Core Bond Fund</b>			
Investment in unlisted open-ended investment fund - Equity long	1	1,817.0	12.6

#### 20. Possible impact of amendments, new standards and interpretations issued but not yet effective for the period from 30 September 2021 (date of commencement) to 31 December 2022

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and new standards which are not yet effective for the period from 30 September 2021 (date of commencement) to 31 December 2022 and which have not been adopted in these financial statements. These include the following which may be relevant to the Company.

	Effective for accounting periods beginning on or after
HKAS 1, Disclosure of Accounting Policies	1 January 2023
HKAS 8, Accounting Policies, Changes in Accounting Estimates and Errors—Definition of Accounting Estimates	1 January 2023
HKAS 12, Income Taxes: Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
Amendments to HKAS 1, Classification of Liabilities as Current or Non-current	1 January 2023

#### 21. Subsequent events

Except as disclosed elsewhere in this financial statement, there were no other significant events subsequent to the period end which require disclosure in the financial statements.

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT AS AT 31 DECEMBER 2022

#### BU Asia Pacific Flexi Allocation Fund

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (94.37%)</b>			
<b>Equities (64.55%)</b>			
<b>Australia (11.75%)</b>			
ANZ Group Holdings Ltd	19,094	306,364	1.25
Aristocrat Leisure Ltd	13,616	281,812	1.15
BHP Group Ltd	17,867	552,876	2.25
Karoon Energy Ltd	192,574	286,001	1.17
Macquarie Group Ltd	3,072	347,824	1.42
NEXTDC Ltd	40,758	251,524	1.02
Northern Star Resources Ltd	42,877	317,230	1.29
Santos Ltd	77,079	373,216	1.52
Woodside Energy Group Ltd	6,931	166,577	0.68
<b>China (2.03%)</b>			
Estun Automation Co Ltd - A	24,188	75,793	0.31
Kweichow Moutai Co Ltd - A	600	149,765	0.61
NARI Technology Co Ltd - A	28,786	101,517	0.41
Wuxi Lead Intelligent Equipment Co Ltd - A	15,078	87,716	0.36
Yunnan Energy New Material Co Ltd - A	4,336	82,279	0.34
<b>Hong Kong (24.30%)</b>			
AIA Group Ltd	30,000	333,635	1.36
Alibaba Group Holding Ltd	47,100	520,488	2.12
Alibaba Health Information Technology Ltd	124,000	105,651	0.43
Aluminum Corp of China Ltd - H	448,000	190,567	0.78
Bilibili Inc	7,360	176,151	0.72
BYD Co Ltd - H	6,500	160,398	0.65
China Merchants Bank Co Ltd - H	40,500	226,501	0.92
China Oilfield Services Ltd - H	180,000	218,861	0.89
CNOOC Ltd	196,000	250,621	1.02
COSCO SHIPPING Energy Transportation Co Ltd - H	294,000	225,257	0.92
Country Garden Services Holdings Co Ltd	69,000	171,860	0.70
Ganfeng Lithium Group Co Ltd - H	12,800	95,611	0.39
GDS Holdings Ltd	110,700	290,758	1.18
Geely Automobile Holdings Ltd	137,000	200,104	0.82
H World Group Ltd	28,600	123,305	0.50
Hong Kong Exchanges & Clearing Ltd	4,100	177,134	0.72
JD.com Inc	13,452	379,520	1.55
Jiumaojiu International Holdings Ltd	47,000	125,555	0.51
Kuaishou Technology	20,200	183,885	0.75
Meituan	17,600	393,945	1.61
Sands China Ltd	38,400	127,427	0.52
SITC International Holdings Co Ltd	88,000	195,732	0.80
Swire Pacific Ltd	21,000	184,845	0.75
Tencent Holdings Ltd	18,200	778,840	3.17
Trip.com Group Ltd	3,650	127,950	0.52

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU Asia Pacific Flexi Allocation Fund (continued)

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (94.37%) (continued)</b>			
<b>Equities (64.55%) (continued)</b>			
<b>India (6.94%)</b>			
Adani Ports & Special Economic Zone Ltd	15,240	150,711	0.61
Bajaj Finance Ltd	2,923	232,323	0.95
HDFC Bank Ltd	18,145	357,113	1.45
ICICI Bank Ltd	22,603	243,403	0.99
Infosys Ltd	11,344	206,814	0.84
Larsen & Toubro Ltd	16,764	422,673	1.72
SBI Cards & Payment Services Ltd	9,770	93,948	0.38
<b>Indonesia (3.91%)</b>			
Aneka Tambang Tbk	623,800	79,545	0.32
Bank Central Asia Tbk PT	382,500	210,089	0.86
Bank Mandiri Persero Tbk PT	658,400	419,784	1.71
Bank Rakyat Indonesia Persero Tbk PT	423,000	134,237	0.55
Telkom Indonesia Persero Tbk PT	475,800	114,620	0.47
<b>Korea (4.60%)</b>			
LG Chem Ltd	364	172,717	0.70
Samsung Electronics Co Ltd	16,471	720,325	2.93
Samsung SDI Co Ltd	507	236,962	0.97
<b>The Philippines (1.75%)</b>			
BDO Unibank Inc	72,336	137,198	0.56
International Container Terminal Services Inc	81,400	292,128	1.19
<b>Singapore (2.96%)</b>			
DBS Group Holdings Ltd	13,800	349,013	1.42
United Overseas Bank Ltd	16,500	377,684	1.54
<b>Taiwan (5.31%)</b>			
ASE Technology Holding Co Ltd	31,000	94,709	0.39
MediaTek Inc	7,000	142,345	0.58
Taiwan Semiconductor Manufacturing Co Ltd	73,000	1,065,245	4.34
<b>The United States of America (1.00%)</b>			
CrowdStrike Holdings Inc	952	100,236	0.41
Freeport-McMoRan Inc	3,817	145,046	0.59
<b>Total equities</b>		<u>15,843,963</u>	<u>64.55</u>

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU Asia Pacific Flexi Allocation Fund (continued)

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (94.37%) (continued)</b>			
<b>Debt securities (21.10%)</b>			
<b>Denominated in United States Dollar (21.10%)</b>			
Baidu Inc 3.075% 07/04/2025	500,000	475,298	1.94
CMHI Finance BVI Co Ltd 4.00% 01/06/2027	300,000	289,627	1.18
CNAC HK Finbridge Co Ltd 4.125% 19/07/2027	200,000	189,877	0.77
Hana Bank 3.25% 30/03/2027	500,000	465,583	1.90
ICBCIL Finance Co Ltd 2.65% 02/08/2031	200,000	161,600	0.66
KB Capital Co Ltd 1.50% 28/10/2025	600,000	532,497	2.17
LOTTE Property & Development Co Ltd 4.50% 01/08/2025	200,000	196,906	0.80
Mitsubishi UFJ Financial Group Inc 4.788% 18/07/2025	250,000	252,926	1.03
Mitsubishi UFJ Financial Group Inc 5.133% 20/07/2033	400,000	393,726	1.60
Mizuho Financial Group Inc 1.554% 09/07/2027	300,000	264,274	1.08
Pertamina Persero PT 4.70% 30/07/2049	200,000	167,909	0.68
REC Ltd 5.25% 13/11/2023	200,000	200,460	0.82
Standard Chartered PLC 2.678% 29/06/2032	250,000	189,777	0.77
Standard Chartered PLC 7.767% 16/11/2028	250,000	268,367	1.09
Tencent Holdings Ltd 2.39% 03/06/2030	300,000	245,151	1.00
Thaioil Treasury Center Co Ltd 5.375% 20/11/2048	200,000	162,114	0.66
TSMC Global Ltd 0.75% 28/09/2025	200,000	177,824	0.73
United States Treasury Note/Bond 2.00% 15/02/2050	200,000	134,464	0.55
United States Treasury Note/Bond 4.125%	400,000	410,205	1.67
<b>Total debt securities</b>		<u>5,178,585</u>	<u>21.10</u>
<b>Investment funds (5.14%)</b>			
<b>China (3.07%)</b>			
BU China Multi-Asset No. 1 Private Investment Fund	5,271,440	753,899	3.07
<b>Hong Kong (2.07%)</b>			
BEA Union Investment Asian Bond and Currency Fund - Class IAU	53,948	507,114	2.07
<b>Total investment funds</b>		<u>1,261,013</u>	<u>5.14</u>
<b>Real estate investment trust (2.92%)</b>			
<b>Australia (1.36%)</b>			
Charter Hall Group	6,480	52,645	0.21
Goodman Group	23,891	281,261	1.15
<b>The United States of America (1.56%)</b>			
Prologis Inc	3,404	383,733	1.56
<b>Total real estate investments trusts</b>		<u>717,639</u>	<u>2.92</u>
<b>Stapled security (0.66%)</b>			
<b>India (0.66%)</b>			
Reliance Industries Ltd	5,236	161,219	0.66
<b>Total stapled security</b>		<u>161,219</u>	<u>0.66</u>
<b>Total listed/quoted investments</b>		<u>23,162,419</u>	<u>94.37</u>

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU Asia Pacific Flexi Allocation Fund (continued)

Underlying	Counterparty		Notional amount of contracts outstanding	Fair value US\$	% of net assets
<b>Foreign currency forward contracts (0.23%)</b>					
Buy Australian Dollars/ Sell United States Dollars	Citibank, Hong Kong	AU\$	1,933,326	11,563	0.04
Buy New Zealand Dollars/ Sell United States Dollars	Citibank, Hong Kong	NZ\$	2,676,346	(19,861)	(0.08)
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB	55,654,190	65,815	0.27
<b>Total foreign currency forward contracts</b>				57,517	0.23
<b>Other net assets</b>				1,326,482	5.40
<b>Total net assets</b>				24,546,418	100.00
<b>Total investments, at cost</b>				26,027,303	

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU China Gateway Fund

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (96.96%)</b>			
<b>Equities (68.61%)</b>			
<b>China (6.21%)</b>			
Aier Eye Hospital Group Co Ltd - A	76,493	343,503	1.19
Contemporary Ampere Technology Co Ltd - A	3,700	210,390	0.73
East Money Information Co Ltd - A	104,094	291,873	1.01
Kweichow Moutai Co Ltd - A	1,498	373,914	1.30
Proya Cosmetics Co Ltd - A	8,978	217,325	0.76
Will Semiconductor Co Ltd Shanghai - A	10,699	119,209	0.41
Yantai Jereh Oilfield Services Group Co Ltd - A	30,000	121,018	0.42
Yifeng Pharmacy Chain Co Ltd - A	11,997	110,696	0.39
<b>Hong Kong (59.15%)</b>			
Alibaba Group Holding Ltd	148,576	1,641,868	5.70
Alibaba Health Information Technology Ltd	260,000	221,526	0.77
Anhui Conch Cement Co Ltd - H	60,000	209,867	0.73
ANTA Sports Products Ltd	26,400	346,027	1.20
Bilibili Inc	17,740	424,581	1.47
BYD Co Ltd - H	7,000	172,737	0.60
China Construction Bank Corp - H	804,000	503,727	1.75
China Merchants Bank Co Ltd - H	100,000	559,261	1.94
China National Building Material Co Ltd - H	292,000	239,812	0.83
China Overseas Land & Investment Ltd	118,000	311,444	1.08
China Resources Beer Holdings Co Ltd	49,000	342,469	1.19
China Resources Land Ltd	84,000	384,756	1.34
CNOOC Ltd	232,000	296,653	1.03
Country Garden Services Holdings Co Ltd	145,000	361,156	1.25
CSPC Pharmaceutical Group Ltd	90,000	94,556	0.33
Galaxy Entertainment Group Ltd	53,000	350,394	1.22
GDS Holdings Ltd	122,700	322,277	1.12
Geely Automobile Holdings Ltd	297,000	433,802	1.51
H World Group Ltd	91,400	394,060	1.37
JD Health International Inc	24,000	219,400	0.76
JD.com Inc	19,070	538,020	1.87
Kuaishou Technology	68,200	620,839	2.16
Li Ning Co Ltd	35,000	303,814	1.06
Longfor Group Holdings Ltd	86,000	267,754	0.93
Meituan	45,800	1,025,153	3.56
NetEase Inc	20,000	293,404	1.02
Ping An Insurance Group Co of China Ltd - H	80,000	529,408	1.84
Postal Savings Bank of China Co Ltd - H	754,000	468,537	1.63
PRADA SpA	47,800	270,083	0.94
Sands China Ltd	84,800	281,401	0.98
Seazen Group Ltd	342,000	126,635	0.44
SJM Holdings Ltd	242,000	140,147	0.48
Sunny Optical Technology Group Co Ltd	42,000	499,645	1.74
Tencent Holdings Ltd	48,400	2,071,201	7.19
Trip.com Group Ltd	8,400	94,460	1.02
Wuxi Biologics Cayman Inc	70,500	540,610	1.88
Xiaomi Corp	401,600	562,913	1.96
ZTO Express Cayman Inc	13,400	363,288	1.26

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU China Gateway Fund (continued)

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (96.96%) (continued)</b>			
<b>Equities (68.61%) (continued)</b>			
<b>Singapore (0.88%)</b>			
Yangzijiang Shipbuilding Holdings Ltd	250,000	253,504	0.88
<b>The United States of America (2.37%)</b>			
iQIYI Inc - ADR	70,000	371,000	1.29
Pinduoduo Inc - ADR	3,800	309,890	1.08
<b>Total equities</b>		<u>19,750,007</u>	<u>68.61</u>
<b>Investment funds (28.35%)</b>			
<b>China (8.46%)</b>			
BU China Multi-Asset No. 1 Private Investment Fund	17,041,699	2,437,230	8.46
<b>Hong Kong (19.89%)</b>			
BEA Union Investment Asian Bond and Currency Fund - Class IAU	397,905	3,740,306	12.99
BU APAC Bond Fund	212,443	1,986,345	6.90
<b>Total investment funds</b>		<u>8,163,881</u>	<u>28.35</u>
<b>Total listed/quoted investments</b>		<u>27,913,888</u>	<u>96.96</u>
	Notional amount of contracts outstanding	Fair value US\$	% of net assets
<b>Foreign currency forward contracts (0.31%)</b>			
Buy Australian Dollars/ Sell United States Dollars	Citibank, Hong Kong AU\$ 5,201,081	31,108	0.11
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong RMB 56,071,296	66,308	0.23
Buy United States Dollars/ Sell Australian Dollars	Citibank, Hong Kong US\$ 189,975	(3,026)	(0.01)
Buy United States Dollars/ Sell Renminbi	Citibank, Hong Kong US\$ 431,126	(3,757)	(0.01)
Buy United States Dollars/ Sell Renminbi	Citibank, Hong Kong US\$ 152,645	(1,774)	(0.01)
<b>Total foreign currency forward contracts</b>		<u>88,859</u>	<u>0.31</u>
<b>Other net assets</b>		<u>786,039</u>	<u>2.73</u>
<b>Total net assets</b>		<u>28,788,786</u>	<u>100.00</u>
<b>Total investments, at cost</b>		<u>30,436,006</u>	

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU China Phoenix Fund

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (99.68%)</b>			
<b>Equities (99.68%)</b>			
<b>China (18.91%)</b>			
Aier Eye Hospital Group Co Ltd - A	20,498	92,049	1.21
AVIC Heavy Machinery Co Ltd - A	18,997	85,364	1.12
Contemporary Ampere Technology Co Ltd - A	2,106	119,752	1.57
East Money Information Co Ltd - A	29,097	81,586	1.07
Inner Mongolia Yili Industrial Group Co Ltd - A	22,500	100,812	1.32
Kweichow Moutai Co Ltd - A	400	99,843	1.31
LONGi Green Energy Technology Co Ltd - A	21,253	129,813	1.70
Luxshare Precision Industry Co Ltd - A	23,004	105,564	1.38
Ningbo Tuopu Group Co Ltd - A	9,991	84,591	1.11
Proya Cosmetics Co Ltd - A	5,500	133,135	1.75
Sungrow Power Supply Co Ltd - A	5,200	84,026	1.10
Western Superconducting Technologies Co Ltd - A	5,663	77,503	1.02
Yifeng Pharmacy Chain Co Ltd - A	4,397	40,571	0.53
YTO Express Group Co Ltd - A	38,199	110,917	1.45
Yunnan Energy New Material Co Ltd - A	5,100	96,776	1.27
<b>Hong Kong (77.16%)</b>			
Alibaba Group Holding Ltd	57,064	630,597	8.27
Alibaba Health Information Technology Ltd	30,000	25,561	0.33
ANTA Sports Products Ltd	10,000	131,071	1.72
Baidu Inc	1,500	21,467	0.28
BeiGene Ltd	2,600	44,705	0.59
Bilibili Inc	1,760	42,123	0.55
BYD Co Ltd - H	7,000	172,737	2.26
Cathay Pacific Airways Ltd	55,000	60,039	0.79
China Construction Bank Corp - H	62,000	38,845	0.51
China Mengniu Dairy Co Ltd	6,000	27,214	0.36
China Merchants Bank Co Ltd - H	22,000	123,037	1.61
China Mobile Ltd	23,500	155,815	2.04
China Oilfield Services Ltd - H	54,000	65,658	0.86
China Overseas Land & Investment Ltd	32,000	84,459	1.11
China Resources Beer Holdings Co Ltd	22,000	153,762	2.02
China Resources Land Ltd	20,000	91,609	1.20
China Resources Mixc Lifestyle Services Ltd	30,400	154,436	2.02
CNOOC Ltd	41,000	52,426	0.69
Country Garden Services Holdings Co Ltd	26,000	64,759	0.85
CSPC Pharmaceutical Group Ltd	38,000	39,923	0.52
ENN Energy Holdings Ltd	7,200	101,105	1.33
Fuyao Glass Industry Group Co Ltd - H	8,400	35,247	0.46
Galaxy Entertainment Group Ltd	10,000	66,112	0.87
Geely Automobile Holdings Ltd	38,000	55,503	0.73
Haier Smart Home Co Ltd - H	36,400	124,055	1.63
Hong Kong Exchanges & Clearing Ltd	1,800	77,766	1.02

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU China Phoenix Fund (continued)

	Holdings	Market value US\$	% of net assets value %	
<b>Quoted investments (99.68%) (continued)</b>				
<b>Equities (99.68%) (continued)</b>				
<b>Hong Kong (77.16%) (continued)</b>				
Innovent Biologics Inc	8,000	34,337	0.45	
JD Health International Inc	3,600	32,910	0.43	
JD.com Inc	8,442	238,173	3.12	
Kuaishou Technology	7,600	69,184	0.91	
Li Ning Co Ltd	15,000	130,206	1.71	
Longfor Group Holdings Ltd	19,000	59,155	0.77	
Meituan	21,800	487,955	6.40	
Mint Group Ltd	14,000	37,937	0.50	
NetEase Inc	7,600	111,493	1.46	
Ping An Insurance Group Co of China Ltd - H	26,000	172,058	2.26	
Postal Savings Bank of China Co Ltd - H	58,000	36,041	0.47	
PRADA SpA	21,700	122,611	1.61	
Samsonite International SA	45,000	118,483	1.55	
Shandong Weigao Group Medical Polymer Co Ltd - H	10,400	17,082	0.22	
Shenzhen International Group Holdings Ltd	14,700	165,364	2.17	
SJM Holdings Ltd	106,000	61,387	0.80	
Sunny Optical Technology Group Co Ltd	8,400	99,929	1.31	
Techtronic Industries Co Ltd	13,000	145,075	1.90	
Tencent Holdings Ltd	19,600	838,751	11.00	
Tingyi Cayman Islands Holding Corp	24,000	42,373	0.56	
Trip.com Group Ltd	1,200	42,066	0.55	
Wuxi Biologics Cayman Inc	13,000	99,687	1.31	
ZTO Express Cayman Inc	3,050	82,689	1.08	
<b>The United States of America (3.61%)</b>				
Baidu Inc - ADR	800	91,504	1.20	
Pinduoduo Inc - ADR	2,258	184,140	2.41	
<b>Total equities</b>		<u>7,602,923</u>	<u>99.68</u>	
Underlying	Counterparty	Notional amount of contracts outstanding	Fair value US\$	% of net assets
<b>Foreign currency forward contracts (0.17%)</b>				
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 11,874,265	14,043	0.18
Buy United States Dollars/ Sell Renminbi	Citibank, Hong Kong	US\$ 97,272	(848)	(0.01)
<b>Total foreign currency forward contracts</b>			<u>13,195</u>	<u>0.17</u>
<b>Other net assets</b>			<u>10,522</u>	<u>0.15</u>
<b>Total net assets</b>			<u>7,626,640</u>	<u>100.00</u>
<b>Total investments, at cost</b>			<u>9,563,336</u>	

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU Global Flexi Allocation Fund

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (95.29%)</b>			
<b>Investment fund (95.29%)</b>			
<b>Hong Kong (5.01%)</b>			
Tracker Fund of Hong Kong Ltd	126,500	322,857	5.01
<b>The United Kingdom (26.66%)</b>			
iShares Core Global Aggregate Bond UCITS ETF	133,669	577,784	8.97
SPDR Bloomberg Global Aggregate Bond UCITS ETF	22,787	577,878	8.97
Vanguard Global Aggregate Bond UCITS ETF	20,595	562,178	8.72
<b>The United States of America (63.62%)</b>			
Columbia Diversified Fixed Income Allocation ETF	5,628	97,308	1.51
Franklin FTSE United Kingdom ETF	5,772	132,063	2.05
Franklin International Aggregate Bond ETF	6,942	133,321	2.07
Invesco International Corporate Bond ETF	4,326	91,538	1.42
iShares Core MSCI Emerging Markets ETF	2,838	132,535	2.06
iShares Core S&P 500 ETF	523	200,942	3.12
iShares Core S&P Mid-Cap ETF	551	133,281	2.07
iShares Europe ETF	7,341	332,474	5.16
iShares MSCI ACWI ETF	5,380	456,655	7.09
iShares MSCI All Country Asia ex Japan ETF	2,056	133,208	2.07
iShares MSCI Australia ETF	2,953	65,645	1.02
iShares MSCI Italy ETF	4,979	134,134	2.08
iShares MSCI Japan ETF	3,715	202,245	3.14
iShares MSCI Norway ETF	2,783	68,351	1.06
iShares MSCI Switzerland ETF	4,865	203,990	3.16
iShares MSCI United Kingdom ETF	4,494	137,786	2.14
JPMorgan International Bond Opportunities ETF	1,764	81,112	1.26
Schwab U.S. Aggregate Bond ETF	672	30,677	0.47
SPDR Bloomberg International Treasury Bond ETF	10,914	244,801	3.80
SPDR Bloomberg Short Term International Treasury Bond ETF	2,806	75,930	1.18
SPDR Dow Jones Industrial Average ETF Trust	197	65,272	1.01
SPDR S&P 500 ETF Trust	514	196,569	3.05
SPDR S&P Oil & Gas Exploration & Production ETF	1,000	135,880	2.11
Vanguard Total World Bond ETF	8,144	546,055	8.48
Vanguard Value ETF	479	67,237	1.04
<b>Total foreign currency forward contracts</b>		<u>6,139,706</u>	<u>95.29</u>
<b>Other net assets</b>		<u>302,880</u>	<u>4.71</u>
<b>Total net assets</b>		<u>6,442,586</u>	<u>100.00</u>
<b>Total investments, at cost</b>		<u>6,305,554</u>	

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU RMB Core Bond Fund

	Holdings	Market value US\$	% of net assets value %
<b>Quoted investments (98.38%)</b>			
<b>Debt securities (82.15%)</b>			
<b>Denominated in Renminbi (82.15%)</b>			
Agricultural Development Bank of China 3.05% 02/11/2026	2,000,000	2,011,748	2.59
Agricultural Development Bank of China 3.25% 27/10/2025	3,000,000	3,042,470	3.91
Bank of China Hong Kong Ltd 2.80% 09/07/2023	2,000,000	2,025,323	2.60
Bank of Nova Scotia/The 3.42% 22/04/2023	2,000,000	2,049,239	2.63
China Construction Bank Corp Singapore Branch 2.85% 22/04/2023	1,000,000	1,006,884	1.29
China Development Bank 3.03% 27/11/2023	3,000,000	3,015,667	3.88
China Government Bond 3.02% 22/10/2025	10,000,000	10,210,006	13.12
China Government Bond 3.31% 30/11/2025	9,000,000	9,185,687	11.80
China Government Bond 4.15% 04/12/2027	2,000,000	2,125,380	2.73
Export-Import Bank of Korea 2.80% 03/03/2024	4,000,000	4,068,282	5.23
First Abu Dhabi Bank PJSC 3.10% 12/06/2023	2,000,000	2,021,752	2.60
Hana Bank 3.01% 24/03/2024	4,000,000	4,063,271	5.22
Hong Kong Government International Bond 3.00% 30/11/2026	3,000,000	3,009,841	3.87
Hong Kong Mortgage Corp Ltd/The 2.70% 09/02/2024	2,000,000	2,041,170	2.62
Hong Kong Mortgage Corp Ltd/The 3.33% 17/03/2025	2,000,000	2,072,798	2.66
HSBC Holdings PLC 3.40% 29/06/2027	1,000,000	969,406	1.25
MTR Corp Ltd 2.80% 25/03/2024	2,000,000	2,031,496	2.61
Municipality of Shenzhen China 2.60% 19/10/2023	1,000,000	1,004,581	1.29
QNB Finance Ltd 3.80% 17/06/2025	2,000,000	2,012,927	2.59
QNB Finance Ltd 4.00% 14/03/2027	2,000,000	2,009,219	2.58
Sun Hung Kai Properties Capital Market Ltd 3.20% 14/08/2027	2,000,000	1,937,653	2.49
Wharf REIC Finance BVI Ltd 2.95% 19/01/2024	2,000,000	2,011,653	2.59
<b>Total debt securities</b>		<u>63,926,453</u>	<u>82.15</u>
<b>Investment funds (16.23%)</b>			
<b>Hong Kong (16.23%)</b>			
BEA Union Investment Asian Bond and Currency Fund - Class ADU	191,927	<u>12,628,427</u>	<u>16.23</u>
<b>Total investment funds</b>		<u>12,628,427</u>	<u>16.23</u>
<b>Total listed/quoted investments</b>		<u>76,554,880</u>	<u>98.38</u>

## BU INVESTMENT SERIES OFC

### PORTFOLIO STATEMENT

AS AT 31 DECEMBER 2022 (CONTINUED)

#### BU RMB Core Bond Fund (continued)

Underlying	Counterparty	Notional amount of contracts outstanding	Fair value US\$	% of net assets
<b>Foreign currency forward contracts (0.59%)</b>				
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 4,300,000	181,972	0.23
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 1,700,000	76,064	0.10
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 1,700,000	52,072	0.07
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 1,000,000	28,065	0.04
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 1,000,000	29,058	0.04
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 2,000,000	56,685	0.07
Buy Renminbi/ Sell United States Dollars	Citibank, Hong Kong	RMB 1,300,000	50,433	0.06
Buy United States Dollars/ Sell Renminbi	Citibank, Hong Kong	US\$ 142,880	(12,815)	(0.02)
<b>Total foreign currency forward contracts</b>			<u>461,534</u>	<u>0.59</u>
<b>Other net assets</b>			<u>795,660</u>	<u>1.03</u>
<b>Total net assets</b>			<u>77,812,074</u>	<u>100.00</u>
<b>Total investments, at cost</b>			<u>76,882,517</u>	

## BU INVESTMENT SERIES OFC

### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

FOR THE PERIOD FROM 30 SEPTEMBER 2021  
(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022

#### BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>

	% of net assets At 31 December 2022
<b>Equities</b>	
Australia	11.75
China	2.03
Hong Kong	24.30
India	6.94
Indonesia	3.91
Korea	4.60
Philippines	1.75
Singapore	2.96
Taiwan	5.31
The United States of America	1.00
<b>Debt securities</b>	
United States Dollar	21.10
<b>Stapled security</b>	
India	0.66
<b>Investment fund</b>	
China	3.07
Hong Kong	2.07
<b>Real estate investment trust</b>	
Australia	1.36
The United States of America	1.56
<b>Foreign currency forward contracts</b>	0.23
	<u>94.60</u>

## BU INVESTMENT SERIES OFC

### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

FOR THE PERIOD FROM 30 SEPTEMBER 2021  
(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022 (CONTINUED)

#### BU China Gateway Fund <sup>(1)</sup>

	% of net assets At 31 December 2022
<b>Equities</b>	
China	6.21
Hong Kong	59.15
Singapore	0.88
The United States of America	2.37
<b>Investment fund</b>	
China	8.46
Hong Kong	19.89
<b>Foreign currency forward contracts</b>	0.31
	<u>97.27</u>

#### BU China Phoenix Fund <sup>(1)</sup>

	% of net assets At 31 December 2022
<b>Equities</b>	
China	18.91
Hong Kong	77.16
The United States of America	3.61
<b>Foreign currency forward contracts</b>	0.17
	<u>99.85</u>

#### BU Global Flexi Allocation Fund <sup>(1)</sup>

	% of net assets At 31 December 2022
<b>Investment funds</b>	
Hong Kong	5.01
The United Kingdom	26.66
The United States of America	63.62
	<u>95.29</u>

## BU INVESTMENT SERIES OFC

### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS

FOR THE PERIOD FROM 30 SEPTEMBER 2021

(DATE OF COMMENCEMENT) TO 31 DECEMBER 2022 (CONTINUED)

#### BU RMB Core Bond Fund <sup>(1)</sup>

	% of net assets At 31 December 2022
<b>Debt securities</b>	
Renminbi	82.15
<b>Investment fund</b>	
Hong Kong	16.23
<b>Foreign currency forward contracts</b>	0.59
	<u>98.97</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### PERFORMANCE RECORD

#### (a) Total net asset value (calculated in accordance with HKFRS)

	2022 US\$
BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>	<u>24,546,418</u>
BU China Gateway Fund <sup>(1)</sup>	<u>28,788,786</u>
BU China Phoenix Fund <sup>(1)</sup>	<u>7,626,640</u>
BU Global Flexi Allocation Fund <sup>(1)</sup>	<u>6,442,586</u>
	RMB
BU RMB Core Bond Fund <sup>(1)</sup>	<u>77,812,074</u>

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

#### (b) Net asset value per share (calculated in accordance with HKFRS)

	Denomination currency	2022
BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>		
- Class A AUD (Hedged) (Distributing)	AU\$	6.67
- Class A HKD (Distributing)	HK\$	79.64
- Class A NZD (Hedged) (Distributing)	NZ\$	6.89
- Class A RMB (Hedged) (Distributing)	RMB	76.60
- Class A USD (Accumulating)	US\$	10.88
- Class A USD (Distributing)	US\$	7.90
BU China Gateway Fund <sup>(1)</sup>		
- Class A AUD (Hedged) (Distributing)	AU\$	6.57
- Class A HKD (Distributing)	HK\$	71.03
- Class A RMB (Hedged) (Distributing)	RMB	68.12
- Class A USD (Accumulating)	US\$	8.89
- Class A USD (Distributing)	US\$	7.12
BU China Phoenix Fund <sup>(1)</sup>		
- Class A HKD (Accumulating)	HK\$	103.75
- Class A RMB (Hedged) (Accumulating)	RMB	109.42
- Class A USD (Accumulating)	US\$	10.33
BU Global Flexi Allocation Fund <sup>(1)</sup>		
- Class A HKD (Distributing)	HK\$	94.86
- Class A USD (Distributing)	US\$	9.46
BU RMB Core Bond Fund <sup>(1)</sup>		
- Class A HKD (Distributing)	HK\$	77.22
- Class A RMB (Distributing)	RMB	87.60
- Class A USD (Distributing)	US\$	7.65

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### PERFORMANCE RECORD (CONTINUED)

#### (c) Highest and lowest price record (dealing net asset value per share)

	2022		
	Denomination currency	Highest net asset value per share	Lowest net asset value per share
BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>			
- Class A AUD (Hedged) (Distributing)	AU\$	9.83	6.32
- Class A HKD (Distributing)	HK\$	114.35	75.60
- Class A NZD (Hedged) (Distributing)	NZ\$	10.09	6.53
- Class A RMB (Hedged) (Distributing)	RMB	112.42	72.85
- Class A USD (Accumulating)	US\$	14.76	10.14
- Class A USD (Distributing)	US\$	11.38	7.45
BU China Gateway Fund <sup>(1)</sup>			
- Class A AUD (Hedged) (Distributing)	AU\$	9.55	5.56
- Class A HKD (Distributing)	HK\$	100.83	60.16
- Class A RMB (Hedged) (Distributing)	RMB	98.91	57.70
- Class A USD (Accumulating)	US\$	11.98	7.44
- Class A USD (Distributing)	US\$	10.16	6.00
BU China Phoenix Fund <sup>(1)</sup>			
- Class A HKD (Accumulating)	HK\$	157.70	79.83
- Class A RMB (Hedged) (Accumulating)	RMB	167.43	84.35
- Class A USD (Accumulating)	US\$	15.77	7.90
BU Global Flexi Allocation Fund <sup>(1)</sup>			
- Class A HKD (Distributing)	HK\$	118.77	90.32
- Class A USD (Distributing)	US\$	11.88	8.96
BU RMB Core Bond Fund <sup>(1)</sup>			
- Class A HKD (Distributing)	HK\$	88.61	73.54
- Class A RMB (Distributing)	RMB	94.20	87.34
- Class A USD (Distributing)	US\$	8.83	7.24

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### PERFORMANCE RECORD (CONTINUED)

#### (d) Fund Expense Ratio ("FER")

	Transaction costs for the period ended 31 December US\$	FER for the period ended 31 December %
BU Asia Pacific Flexi Allocation Fund <sup>(1)</sup>		
- Class A AUD (Hedged) (Distributing)	6,779	1.80
- Class A HKD (Distributing)	29,113	1.81
- Class A NZD (Hedged) (Distributing)	8,195	1.82
- Class A RMB (Hedged) (Distributing)	38,854	1.81
- Class A USD (Accumulating)	6,103	1.81
- Class A USD (Distributing)	35,670	1.81
BU China Gateway Fund <sup>(1)</sup>		
- Class A AUD (Hedged) (Distributing)	37,811	1.87
- Class A HKD (Distributing)	102,817	1.88
- Class A RMB (Hedged) (Distributing)	55,399	1.89
- Class A USD (Accumulating)	5,383	1.88
- Class A USD (Distributing)	64,964	1.88
BU China Phoenix Fund <sup>(1)</sup>		
- Class A HKD (Accumulating)	26,191	2.07
- Class A RMB (Hedged) (Accumulating)	7,860	2.08
- Class A USD (Accumulating)	4,856	2.08
BU Global Flexi Allocation Fund <sup>(1)</sup>		
- Class A HKD (Distributing)	1,676	2.28
- Class A USD (Distributing)	7,804	2.26
BU RMB Core Bond Fund <sup>(1)</sup>		
- Class A HKD (Distributing)	–	1.26
- Class A RMB (Distributing)	–	1.31
- Class A USD (Distributing)	–	1.32

<sup>(1)</sup> The launch date for BU Asia Pacific Flexi Allocation Fund, BU China Gateway Fund, BU China Phoenix Fund, BU Global Flexi Allocation Fund and BU RMB Core Bond Fund was 30 September 2021.

## BU INVESTMENT SERIES OFC

### INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS

BU RMB Core Bond Fund

	Gross exposure <sup>(1)</sup>			Net exposure <sup>(2)</sup>		
	Highest	Lowest	Average exposure	Highest	Lowest	Average exposure
<b>Foreign currency forward contracts</b>	97.09%	8.56%	19.31%	0.51%	–	–

<sup>(1)</sup> Gross exposure arising from the use of financial derivative instruments for any purposes, with reference to equivalent market value of the underlying assets of the financial derivative instruments, as a proportion to the scheme's total net asset value.

<sup>(2)</sup> The positions of financial derivative instruments acquired by a scheme for investment purposes are converted into the equivalent position in the underlying assets of the financial derivative instruments, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and time available to liquidate the positions.

Conversion method of calculating exposure of nonexhaustive list of derivatives

Type of Derivatives	Conversion Method
Foreign currency forward contracts	Notional value of currency leg(s)

## BU INVESTMENT SERIES OFC

### ADMINISTRATION

#### Manager and Registrar

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

#### Directors of the Company

Wan Yuen Yung  
Tjiang Man Kin (Appointed on 27 June 2022)  
Tsang Sin Man  
Cheung Kwok Choi  
Lo Sui Yan Rex  
Chan Yue Hung Henry (Resigned on 30 June 2022)

#### Directors of the Manager

Brian Li Man Bun  
Samson Li Kai Cheong  
Wan Yuen Yung (Appointed on 18 March 2022)  
André Haagmann  
Gunter Karl Haueisen  
Hermann Alexandar Schindler (Resigned on 18 March 2022)

#### Custodian

Cititrust Limited  
50/F, Champion Tower,  
Three Garden Road, Central,  
Hong Kong

#### Administrator

Citibank, N.A., Hong Kong Branch  
50/F, Champion Tower,  
Three Garden Road, Central,  
Hong Kong

#### Auditor

KPMG  
8th Floor, Prince's Building,  
10 Chater Road, Central,  
Hong Kong

#### Legal Adviser

Deacons  
5/F, Alexandra House,  
18 Chater Road, Central  
Hong Kong