

PRODUCT KEY FACTS



St. James's Place Corporate Bond
Unit Trust

March 2024

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

Quick facts

Manager:	St. James's Place Unit Trust Group Limited
Investment Adviser:	Invesco Asset Management Limited (external delegation, in the United Kingdom)
Trustee:	NatWest Trustee and Depositary Services Limited
Ongoing charges over a year*:	Class L Accumulation Units: 1.39% Class H Accumulation Units: 1.89%
Dealing frequency:	Daily
Base currency:	GBP
Dividend policy:	<u>Accumulation Units</u> : No income will be distributed.
Financial year end of the Scheme:	31 March
Minimum investment:	GBP 1,500 (initial) GBP 1,000 (additional)

* The ongoing charges figure is an annualised figure based on expenses for the period from 1 April 2023 to 30 September 2023. This figure may vary from year to year.

What is this product?

St. James's Place Corporate Bond Unit Trust (the "Scheme") is a fund constituted in the form of a unit trust. It is domiciled in the United Kingdom and its home regulator is the Financial Conduct Authority.

Objectives and Investment Strategy

Objectives

The investment objective of the Scheme is to achieve an attractive level of income as well as capital appreciation by investing in a portfolio of fixed income securities and other financial instruments.

Strategy

In normal market conditions the portfolio is expected to be predominantly (i.e. which means at least 50% of its net asset value) invested in high yield bonds (i.e. high yield bonds issued by corporations). However, the Manager will reduce this proportion as necessary (e.g. by investing in Investment Grade Corporate Bonds, namely corporate bonds with credit rating of no lower than a 'BBB minus' from the ratings agency Standard & Poor's or equivalent) to preserve the capital value of the Scheme if required by market conditions (e.g. where there are insufficient investable corporate high yield bonds which meet the investment objective of the Scheme).

The Scheme may invest in a range of fixed interest securities including, but not limited to, UK and overseas corporate and government bonds, emerging market bonds, asset back securities and defaulted and/or distressed bonds.

Investors should note that in the case of government bonds, emerging market bonds and asset back securities, in normal market conditions the portfolio's maximum exposure to the relevant security can be up to 10% of the Scheme's net asset value. In the case of defaulted and/or distressed bonds, in normal market conditions the portfolio's maximum exposure to the relevant security can be up to 20% of the Scheme's net asset value. Notwithstanding the above, the overall exposure to these securities, in aggregate, will not exceed 20% of the Scheme's net asset value. The Scheme's maximum exposure to unrated debt securities is 10% of the Scheme's net asset value.

The Scheme may fully invest in debt securities rated below investment grade, which is being equivalent to below BBB- from the rating agency Standard & Poor's.

The Investment Adviser maintains appropriate internal policies and procedures in assessing applicable credit risks of bonds / securities / debt securities / fixed interest securities based on quantitative and qualitative fundamentals. External rating is not the only factor being taken into consideration in assessing the credit quality of an instrument.

The Scheme is also permitted to invest, on an ancillary basis, in other asset classes permissible for UK UCITS schemes including other transferable securities (e.g. preferred stock), money market instruments, cash and near cash, units in collective investment schemes, deposits and use derivatives (e.g. futures, options, credit default swaps) and forward transactions for the purposes of

investment (e.g. efficient portfolio management) and hedging. Derivatives however will not be used extensively for investment purposes.

Not more than 10% of the Scheme's net asset value may be invested in securities issued by or guaranteed by a single country (including its government, a public or local authority of that country) whose credit rating is below investment grade. In the event the securities are downgraded to below investment grade, the Scheme may continue to hold such securities but will dispose of them within a reasonable time to ensure that it complies with the above investment restriction.

The Scheme will not enter into securities lending and repo contracts, reverse repo, or similar OTC transactions. If there is a change in the investment policy, the Scheme will seek prior approval from the SFC and at least one month's prior notice will be given to Unitholders.

Use of derivatives / Investment in derivatives

The Scheme's net derivative exposure may be up to 50% of the Scheme's net asset value.

What are the key risks?

Investment involves risks. Please refer to the offering document for details including the risk factors.

1. General Investment Risk

- The Scheme's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Scheme may suffer losses. There is no guarantee of the repayment of principal.

2. High Yield Debt Instruments Risk

- The Scheme may invest in high yield corporate debt instruments which have a credit rating below investment grade (being equivalent to below BBB- from the rating agency Standard & Poor's) or are unrated. High yield corporate bonds carry a higher risk of default and greater risk of loss of principal and interest and can be less liquid and more volatile than government or investment grade corporate bonds.

3. Interest Rate Risk

- Interest rate fluctuations may affect the capital value of investments. When long term interest rates rise, the capital value of units is likely to fall and vice versa and in turn, ultimately adversely affect the net asset value of the Scheme.

4. Counterparty and Credit Risk

- The value of units may fall in the event of the default or reduced credit rating of an issuer. To the extent that a counterparty defaults on its obligations and a Scheme is prevented from exercising its rights with respect to the investment in its portfolio, the Scheme may experience a decline in its net asset value. With regard to the credit downgrading of an issuer, the value of the relevant debt securities may decline rapidly, which will adversely affect the net asset value of the Scheme. Credit ratings are based on the perceived likelihood of issuer default.

5. Volatility and Liquidity Risk

- The Scheme may invest in certain securities that subsequently become difficult to sell because of reduced liquidity which may be driven by market event or determined in the creditworthiness of the issuer. The market value of such securities may be adversely affected. The debt securities in certain markets may be subject to higher volatility. The price of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Scheme may incur significant trading costs. This would ultimately affect the net asset value of the Scheme.

6. Credit Rating Risk

- Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.

7. Exchange Risk

- The Scheme may hold overseas investments denominated in currencies different from the Scheme's base currency. Adverse exchange rate fluctuations between these currencies and the Scheme's base currency and changes in exchange rate controls can result in a decrease in income and loss of capital.
- In addition, if an investor invests in a class of units of the Scheme which are denominated in a currency which is different from the currency in which the majority of the investor's assets and liabilities are denominated ("**Own Currency**"), such an investor is also subject to currency risk in the form of potential capital losses resulting from changes in exchange rate controls, adverse movements of the exchange rate between the investor's Own Currency and the currency of the class of units of the Scheme in which such investor invests. Investors should also note that the Scheme's investment returns are denominated in UK Pound Sterling ("**GBP**"). US Dollar ("**USD**") and / or HK Dollar ("**HKD**") based investors are therefore exposed to fluctuations in the USD/ HKD/ GBP exchange rate.

8. Concentration Risk

- The Scheme may have significant exposure to UK economy. The value of the Scheme may therefore experience more volatility as it is more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax legal or regulatory event affecting the relevant UK and overseas markets than a fund with a broader, geographically diversified portfolio.

9. Brexit Risk

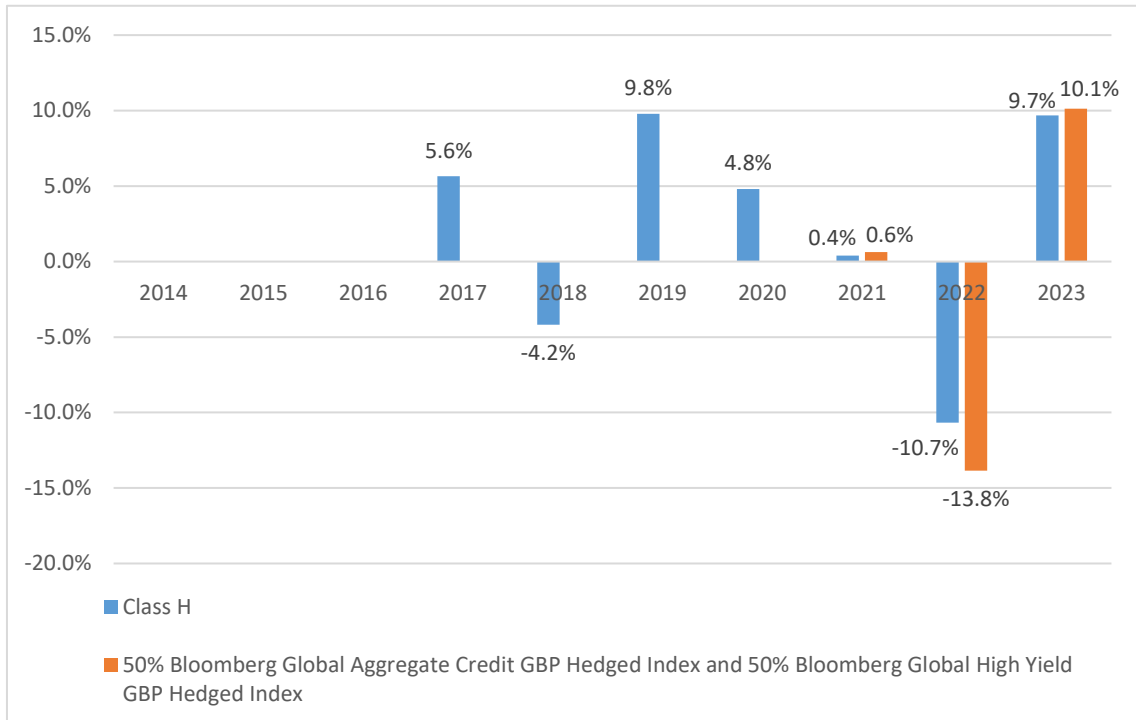
- The Scheme may face potential risks following the UK withdrawal from the European Union ("**Brexit**"). There may be detrimental implications for the value of certain of the Scheme's investments, its ability to enter into transactions, to value or realise certain of its investments or otherwise to implement its investment policy due to various reasons. Such events, as well as an exit or expulsion of a member state other than the UK from the European Union, could have a material adverse effect on the Scheme.

10. Financial Derivative Instruments Risk

- The use of financial derivative instruments by the Scheme may expose the Scheme to higher risks including counterparty credit risk, liquidity risk, valuation risk, volatility risk, over-the-

counter transaction risk and leverage risk. The leverage element/component of a financial derivative instrument can result in a loss significantly greater than the amount invested in the financial derivative instrument by the Scheme. In adverse situation, the use of financial derivative instruments for efficient portfolio management and hedging purposes may become ineffective and the Scheme may suffer significant losses.

How has the Scheme performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.
- These figures show by how much the Class H Accumulation Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in GBP including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Class H Accumulation Units has been selected as the representative class as it is the class which is open for subscriptions from new Hong Kong investors in the Scheme.
- Prior to 1 April 2018 Class L Accumulation Units were selected as the representative share class, however, as Class L Accumulation Units were closed to subscriptions from new Hong Kong investors on 1 April 2017 the Manager has determined to change the representative class.

- Where no past performance is shown there was insufficient data available in that year to provide performance.
- With effect from 22 January 2021, a combination of 50% Bloomberg Global Aggregate Credit GBP Hedged Index and 50% Bloomberg Global High Yield GBP Hedged Index may be used as context in assessing the performance of the Scheme as it provides an overall indication of the markets in which the Scheme invests.
- Scheme launch date: 1995
- Class H Accumulation Units launch date: 2016
- Investors may obtain the past performance information (if available) of other classes of units offered to Hong Kong investors at the Hong Kong Representative's website <http://www.sjp.asia/hong-kong/documents>. This website has not been reviewed by the Securities and Futures Commission (SFC).

Is there any guarantee?

This Scheme does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Scheme.

<u>Fee</u>	<u>What you pay</u>
Subscription Fee (Preliminary Charge)	Class L Accumulation Units and Class H Accumulation Units: 5% of the amount subscribed
Switching Fee	Not applicable
Redemption Fee (Redemption Charge)	Nil

Ongoing fees payable by the Scheme

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

Annual rate (unless otherwise specified, as a % of the Scheme's net asset value)

St. James's Place Corporate Bond Unit Trust

Annual Management Charge	Class L Accumulation Units: 1.11% per annum Class H Accumulation Units: 1.61% per annum
Trustee Charge (subject to UK VAT)	Included in Annual Management Charge
Investment Adviser Fee	Class L Accumulation Units and Class H Accumulation Units: 0.30% per annum on the first £1 billion 0.275% per annum on the next £1 billion Over £2 billion is at 0.225% per annum
Performance Fee	Not applicable
Administration Fee	Not applicable
<u>Other fees</u>	
You may have to pay other fees when dealing in the units of the Scheme.	
Additional Information	
<ul style="list-style-type: none">• You generally buy units at the offer price and redeem units at the bid price based on the Scheme's next-determined net asset value after the Hong Kong representative receives your request in good order on or before 5:00 p.m. on each Hong Kong business day, being the Scheme's dealing cut-off time on each dealing day. Distributors may impose earlier dealing deadlines for receiving requests from investors in Hong Kong in order to meet the Scheme's dealing cut-off time.• The net asset value of the Scheme is calculated, and the offer and bid price of units is published, every business day. Investors may obtain information on the most recent offer and bid prices from the Hong Kong Representative, St. James's Place (Hong Kong) Limited by telephone hotline at +852 3728 0499.	
Important	
If you are in doubt, you should seek professional advice.	
The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.	