

BEA Union Investment

Asian Strategic Bond Fund

Important note:

1. BEA Union Investment Asian Strategic Bond Fund (the "Fund") seeks medium to long term capital growth and regular income by primarily (i.e. at least 70% of its non-cash assets) investing in debt securities that are (a) denominated in Asian currencies, or (b) issued or guaranteed by Asian governments or entities which are incorporated in Asia or have significant operations or assets in, or derive significant portion of revenue or profits from Asia, and denominated in USD or other currencies including Asian currencies.
2. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
3. The Fund may invest in below investment grade or non-rated debt securities, which are subject to greater credit and liquidity risks than higher-rated securities.
4. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. Investors should note that the distributions paid out of capital amount to a return or withdrawal of part of the unitholder's original investment or from any capital gains attributable to that original investment. Such distribution may result in an immediate reduction of the net asset value per unit.
5. In terms of currency hedged class units, adverse exchange rate fluctuations between the base currency of the Fund and the class currency of the currency hedged class units may result in a decrease in return and/or loss of capital for unitholders. Over-hedged or under-hedged positions may arise and there can be no assurance that these currency hedged class units will be hedged at all times or that the manager will be successful in employing the hedge.
6. RMB is currently not freely convertible and is subject to foreign exchange control policies of the Chinese government. Non-RMB based (e.g. Hong Kong) investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies (for example HKD) will not depreciate. Any depreciation of RMB would adversely affect the value of investor's investment in the Fund.
7. The Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose and may result in significant losses.
8. Investors should not make an investment decision based solely on this material.

Go with the Asian Bond Experts Enjoy Both Income and Appreciation

**Aims to Provide
a Monthly Dividend**

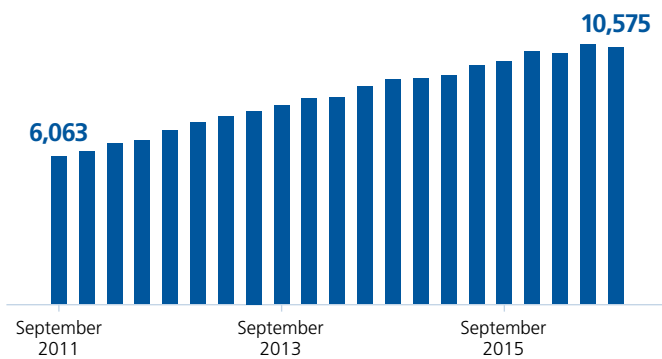
Dividend only applies to
distributing classes
(Dividend is not guaranteed and
distributions may be paid out of
income and/or capital
important note 4)



Asian Bonds Demonstrate Investment Value amid Global Low Interest Rate Environment

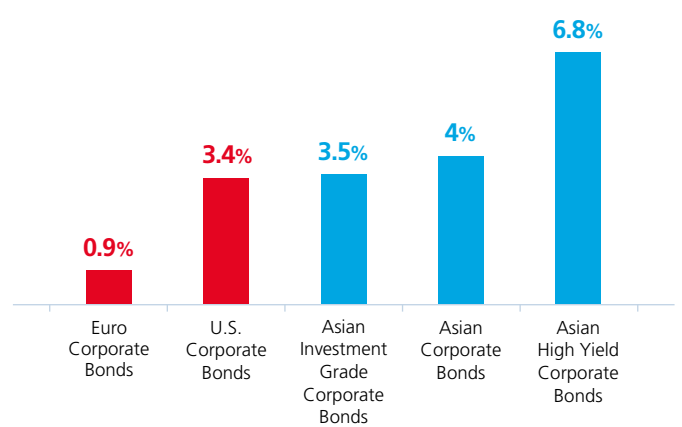
- Donald Trump assuming the role of U.S. President and elections in Germany and France are incidents which may bring uncertainty to the markets. We expect key economies such as the eurozone, Japan, and other Asian countries to continue their monetary easing policies to minimise potential downside risks, and anticipate that the U.S. will maintain a moderate pace of interest rate hikes. In general, we expect the low interest rate environment to continue.
- The Asian bond market has expanded by 74% over the past 5 years. Increasing supply is benefitting the market's development and attracting a lot of fund managers to explore investment opportunities.
- Due to higher yields, Asian bonds have a more attractive investment value than their counterparts in Europe and the U.S.

Size of Asian Bond Market Almost Doubles in 5 Years (US\$ billion)



Source: Asia Development Bank, from September 2011 to September 2016. Size of Asian (ex Japan) bond market is the aggregate size of the Asian local currency bond market and Asian foreign currency bond market. Asian foreign currency bond market includes certificates of deposit and offshore RMB bonds.

Yield-to-Maturity of Asian Bonds Higher than Those of Developed Markets

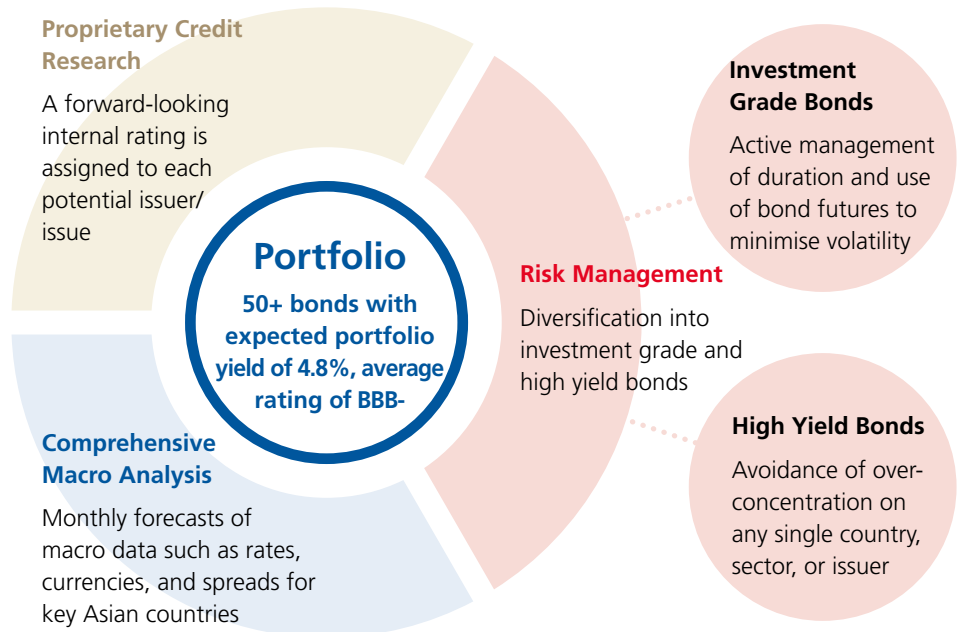


Source: Bloomberg, as at 31 December 2016. Euro Corporate Bonds are represented by the BofA Merrill Lynch Euro Corporate Index; U.S. Corporate Bonds by the BofA Merrill Lynch U.S. Corporate Index; Asian Investment Grade Corporate Bonds by the BofA Merrill Lynch Asian Dollar Investment Grade Corporate Index; Asian Corporate Bonds by the BofA Merrill Lynch Asian Dollar Corporate Index; Asian High Yield Corporate Bonds by the BofA Merrill Lynch Asian Dollar High Yield Corporate Index.

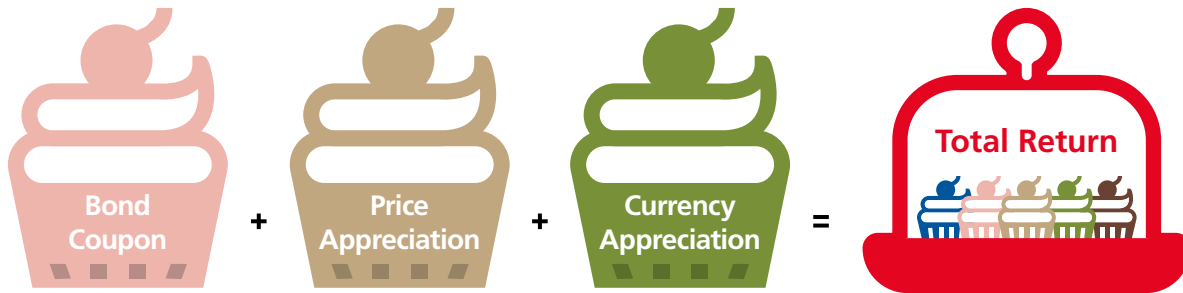
BEA Union Investment Asian Strategic Bond Fund – An Asian Bond Fund Seeking Stable Income and Capital Appreciation

▶ 360° Investment Process + Risk Management

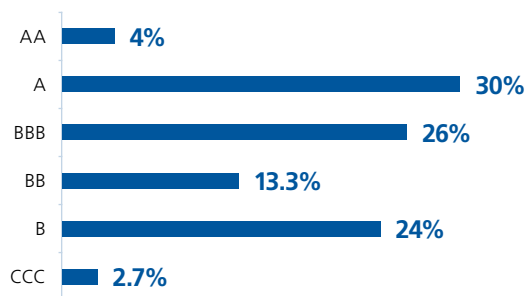
Integrates comprehensive macro analysis and proprietary credit research, plus effective risk control, to identify undervalued but quality Asian bonds



▶ Multiple Sources of Return



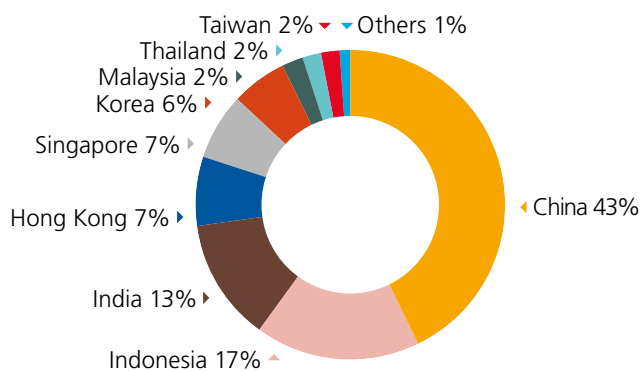
▶ Expected Credit Rating Allocation¹



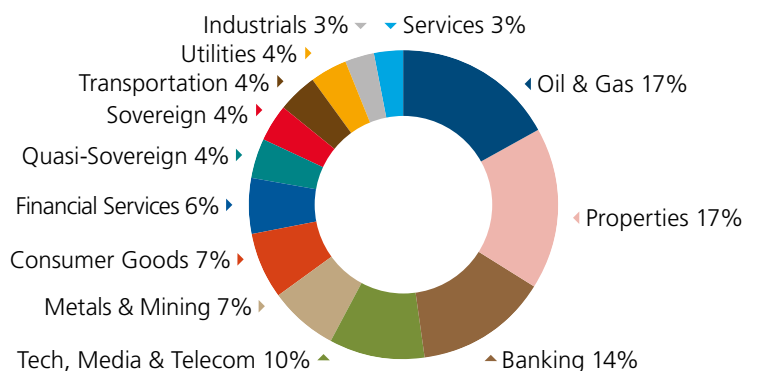
▶ Summary Statistics¹

| | |
|--------------------------------|-----------|
| Expected yield | 4.8% |
| Expected average credit rating | BBB- |
| Expected duration | 3.7 years |

▶ Expected Geographical Allocation¹



▶ Expected Sector Allocation¹



▶ Expected Holdings¹

| Issuer / Guarantor | Bond Type | Maturity | Currency | S&P Rating | Yield-to-Maturity |
|---------------------------|------------------|----------|----------|------------|-------------------|
| Reliance Industries Ltd | Investment Grade | 2025 | USD | BBB+ | 4.2% |
| Bank of China | Investment Grade | 2024 | USD | BBB+ | 4.5% |
| Shimao Property Holdings | High Yield | 2021 | USD | BB | 5.8% |
| Vedanta Resources | High Yield | 2021 | USD | B | 6.9% |
| Golden Eagle Retail Group | High Yield | 2023 | USD | B+ | 7.2% |

1. Source: BEA Union Investment Management Limited, as at 5 January 2017. The expected credit rating/geographical/sector allocations, summary statistics, and holdings are for illustrative purposes only. It does not constitute an offer, recommendation or solicitation to buy or sell any securities or financial instruments. Actual allocations may differ. Source of yield-to-maturity: Bloomberg, as at 5 January 2017.

Fund Features

- Flexible allocation in Asian investment grade/high yield bonds, diversifying into different Asian countries, sectors, and currencies
- Mainly invests in corporate bonds which tend to be less sensitive to rate hike cycle
- Aims to provide a monthly dividend (dividend is not guaranteed and distributions may be paid out of income and/or capital²)
- Managed by an experienced and highly regarded award-winning fixed income team
 - The Asian bond and currency fund, managed by the same fixed income team, has won 22 fund awards³ since 2013
 - BEA Union Investment Management Limited is an award winner of the BENCHMARK's "Best Fund House in Asia Fixed Income"⁴ in 2015 and has been named "One of the Top Investment Houses in Asian Local Currency Bonds – Hong Kong"⁵ in 2016 and "One of the Top Investment Houses in Asian G3 Bonds – Hong Kong"⁵ in 2015 by The Asset
- Multi currencies available (USD, HKD, RMB, and AUD)

Fund Details

| Unit Class | A USD (Distributing) | A HKD (Distributing) | A RMB (Hedged) (Distributing) | A AUD (Hedged) (Distributing) | A USD (Accumulating) |
|--------------------------------------|---|----------------------|-------------------------------|-------------------------------|----------------------|
| Launch Date | 24 February 2017 | | | | |
| Issue Price | US\$10 | HK\$100 | RMB100 | AU\$10 | US\$10 |
| Minimum Investment Amount | US\$2,000 | HK\$10,000 | US\$2,000 or equivalent | US\$2,000 or equivalent | US\$2,000 |
| Dividend Frequency | Monthly (aims to provide a monthly dividend; dividend is not guaranteed and distributions may be paid out of income and/or capital ²) | | | | N/A |
| Record Date | 14th day of every month (If the 14th is not a business day in any particular month, the record date will be the immediately preceding business day) | | | | N/A |
| Ex-Dividend Date | One business day after Record Date | | | | N/A |
| Expected First Dividend Distribution | 12 May 2017 | | | | N/A |
| ISIN | HK0000319340 | HK0000319357 | HK0000319373 | HK0000319365 | HK0000319381 |
| Bloomberg | BEABAUD HK | BEABAHD HK | BEAARHD HK | BEAAAHD HK | BEABAU HK |
| Base Currency | US\$ | | | | |
| Management Fee | 1.00% p.a. | | | | |
| Preliminary Charge | Up to 5.00% | | | | |
| Realisation Charge | Currently waived | | | | |
| Dealing Frequency | Daily (HK business days) | | | | |

- Dividend only applies to distributing classes and is not guaranteed. Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on the information contained above. You should read the relevant offering document (including the key facts statement) of the fund for further details including the risk factors. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the fund. Investors should note that the distributions paid out of capital amount to a return or withdrawal of part of the unitholder's original investment or from any capital gains attributable to that original investment. Such distribution may result in an immediate reduction of the net asset value per unit.
- Organisations which have granted awards to the fund include Asia Asset Management, Asian Investor, BENCHMARK, Fund Selector Asia, Fundsupermart.com, and Lipper.
- Source: BENCHMARK, November 2015.
- Source: The Asset, 2016 Research for Asian Local Currency Bonds, April 2016; 2015 Research for Asian G3 Bonds, November 2015.

Investments in the fund are subject to investment risks, including the possible loss of the principal amount invested. For full details and risk factors of the fund, please refer to the explanatory memorandum of the fund. Investors should also read the explanatory memorandum of the fund for detailed information prior to any subscription. The information contained herein is only a brief introduction to the fund. Investors should be aware that the price of units may go down as well as up as the investments of the fund are subject to market fluctuations and to the risks inherent in all investments. Past performance is not indicative of future performance. The fund has been authorised by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. This material has not been reviewed by the SFC in Hong Kong.

Issuer: BEA Union Investment Management Limited

