BEA Union Investment
Asian Strategic Bond Fund

As at 31 July 2018

- BEA Union Investment Asian Strategic Bond Fund (the "Fund") invests in emerging markets and may be subject to higher liquidity and volatility risks.
- 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.
- 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.
- 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.
- 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.
- The Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose and may result in significant losses.
- Investors should not make an investment decision based solely on this material.

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www.bea-union-investment.com

RECENT AWARDS

One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)[1]

House Award, Best-In-Class, Asia Fixed Income[2]

OBJECTIVE

The Fund seeks to achieve 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 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.

FUND POSITIONING

- 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

FUND DETAILS

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)
Fund Size	US$72 million

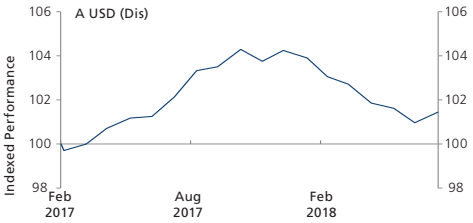
	NAV per Unit	Launch Date
A USD (Acc)	US$10.15	24 Feb 2017
A USD (Dis)	US$9.59	24 Feb 2017
A HKD (Dis)	HK$97.08	24 Feb 2017
A AUD Hgd (Dis)*	AUD9.31	24 Feb 2017
A RMB Hdg (Dis)*	RMB95.97	24 Feb 2017

CODES

	ISIN	Bloomberg
A USD (Acc)	HK0000319381	BEABAUA HK
A USD (Dis)	HK0000319340	BEABAUD HK
A HKD (Dis)	HK0000319357	BEABAHD HK
A AUD Hgd (Dis)*	HK0000319365	BEAAAHD HK
A RMB Hdg (Dis)*	HK0000319373	BEAARHD HK

PERFORMANCE

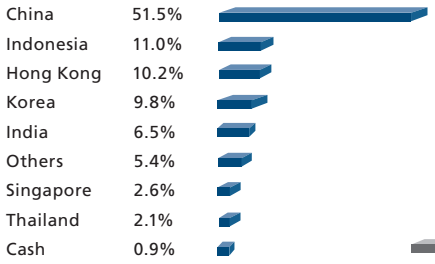
	Cumulative Performance %			Calendar Year Performance %
	YTD	1 Year	Since Launch	2017
A USD (Acc)	-2.6	-0.6	1.5	4.2[3]
A USD (Dis)	-2.7	-0.7	1.4	4.2[3]
A HKD (Dis)	-2.3	-0.2	2.6	5.0[3]
A AUD Hgd (Dis)*	-3.3	-1.5	0.0	3.4[3]
A RMB Hgd (Dis)*	-1.9	0.8	4.1	6.1[3]



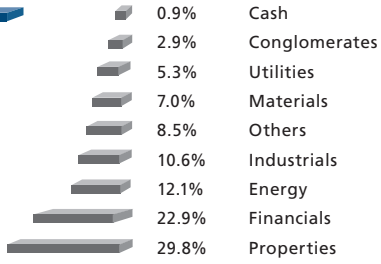
DIVIDEND[4]

July 2018	Dividend per Unit	Annualised Yield
A USD (Dis)	0.03530	4.4%
A HKD (Dis)	0.35300	4.4%
A AUD Hgd (Dis)*	0.04600	5.9%
A RMB Hgd (Dis)*	0.51000	6.4%

GEOGRAPHICAL ALLOCATION



SECTOR ALLOCATION



TOP HOLDINGS

	Market	Sector	Weights
Woori Bank 4.75% 30/04/2024	Korea	Financials	2.5%
Korea Resources 4.0% 18/04/2023	Korea	Materials	2.4%
CNOOC 4.375% 05/02/2028	China	Energy	2.3%
ThaiOil 4.875% 23/01/2043	Thailand	Energy	2.1%
New World China 4.75% 23/01/2027	Hong Kong	Properties	2.0%

CURRENCY EXPOSURE

USD	Others
98.3%	1.7%

SUMMARY STATISTICS

Investment Grade	64.6%
High Yield	35.4%
Duration	4.9 years
Current Yield	4.5%

*Hgd: Hedged.

1. Source: The Asset, 2018 Research for Asian Local Currency Bonds, June 2018.
2. Source: BENCHMARK, November 2017.
3. Since launch till the 31 December of the same year.
4. Please refer to the dividend notice available on website for dividend composition information and details. Dividend only applies to distributing classes and is not guaranteed. Past dividend record is not indicative of future dividend likely to be achieved. Annualised dividend yield = (dividend of the current month x 12) / last month end NAV x 100%. Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on information contained in the table above. You should read the relevant offering document (including the key facts statement) of the fund for further details including the risk factors.

Source: Lipper, BEA Union Investment Management Limited

Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested. HKD/USD based investors are exposed to foreign exchange fluctuations.

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