

# BEA Union Investment Asian Bond Target Maturity Fund 2022

As at 31 January 2019



- The duration of BEA Union Investment Asian Bond Target Maturity Fund 2022 (the "Fund") is limited (i.e. up to the Maturity Date). There are risks that the Fund may not make any distribution and investors may not recoup the original amount invested in the Fund during the investment period as well as at the Maturity Date.
- 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 debt 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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## OBJECTIVE

The Fund, on a best effort basis, seeks regular income from the close of the launch period up to the Fund's target maturity date ("Maturity Date") (being 31 January 2022) and returns the capital of the Fund by investing primarily in Asian fixed income-related securities.

## FUND POSITIONING

- Aims to provide 12 quarterly dividends at an annualized rate of above the USD3-month LIBOR<sup>^</sup> (Dividend is not guaranteed and distributions may be paid out of income and/or capital<sup>2</sup>)
- Invests in Asian high yield and investment grade corporate bonds

<sup>^</sup> The distribution per unit is calculated as follows: annualised rate of above average of daily USD 3-month LIBOR (for each three-month period ending on the last day of January, April, July and October) / distribution frequency over a year (i.e. 4 for quarterly distributions) x net asset value per unit on the last day of the corresponding previous three-month period.

## FUND DETAILS

Base Currency	US\$
NAV per Unit	A USD (Dis) - USD 10.05 A HKD (Dis) - HKD 100.55 A RMB Hgd (Dis) RMB - 100.60
Launch Date	18 Jan 2019
Management Fee	0.60% p.a.
Preliminary Charge	Up to 3.00%
Realisation Charge <sup>1</sup>	1.5% for early redemption
Dealing Frequency	Weekly (Each Friday; and if such day is not a business day, then the immediately following business day)
Dividend Frequency	Quarterly (aims to provide a quarterly dividend; dividend is not guaranteed and distributions may be paid out of income and/or capital <sup>2</sup> )
Record Date <sup>#</sup>	14th day of the month following the corresponding three-month period
Fund Size	US\$ 57 million

<sup>#</sup>If the 14th is not a business day in any particular month, the record date will be the immediately preceding business day

## CODES

	ISIN	Bloomberg
A USD (Dis)	HK0000464047	BEABTAU HK
A HKD (Dis)	HK0000464054	BEABTAH HK
A RMB Hgd (Dis)*	HK0000464062	BEABTAR HK

\*Hgd: Hedged.

Source: BEA Union Investment Management Limited

- No realisation charge will be levied in respect of the distribution of proceeds to unitholders (who hold units in the Fund as at the Maturity Date) upon compulsory redemption of the units in the Fund at the Maturity Date or early termination.
- 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

## PERFORMANCE

Fund performance will be shown when the Fund has 6 month record.

## GEOGRAPHICAL ALLOCATION

China	86.0%	
India	8.2%	
Indonesia	2.9%	
Others	2.6%	
Cash	0.3%	

## SECTOR ALLOCATION

0.3%	Cash
3.7%	Others
7.1%	Energy
44.0%	Financials
44.9%	Properties

## TOP HOLDINGS

	Market	Sector	Weights
CIFI Holdings 5.5% 23/01/2022	China	Properties	6.2%
Yuzhou Properties 8.625% 23/01/2022	China	Properties	6.1%
China Aoyuan Group 8.5% 23/01/2022	China	Properties	6.1%
Country Garden Holdings 7.125% 27/01/2022	China	Properties	6.0%
CDBL 3.93% 15/11/2021	China	Financials	6.0%

## SUMMARY STATISTICS

Average Credit Rating	BBB-
Investment Grade	52.6%
High Yield	47.4%
Current Yield	5.5%

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.

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.

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