

BEA Union Investment RMB Core Bond Fund

As at 31 July 2018



Retail Hotline: (852) 3608 0321 | www.bea-union-investment.com

- BEA Union Investment RMB Core Bond Fund (the "Fund") may invest primarily in debt securities denominated and settled in RMB. It is subject to RMB currency and conversion risk that could adversely affect the value of investors' investments.
- The Fund may be subject to the "Dim Sum" bond market risk, concentration risk/ China market risk and the risks associated with China interbank bond market, China tax risk, below investment grade and non-rated securities risk, and the Fund is more susceptible to volatility and/or lower liquidity.
- 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.
- The Fund may use financial derivatives for hedging and investment purposes and such exposure may lead to a higher risk of significant loss by the Fund.
- Investors should not make an investment decision based solely on this material.

RATING & AWARDS



Morningstar Overall Rating¹



One of the Top Investment Houses
in Asian Local Currency Bonds
(Hong Kong)²



House Award,
Best-In-Class,
Asia Fixed Income³

OBJECTIVE

The Fund seeks to achieve income and long-term capital growth by investing in debt securities and other assets that are denominated in RMB and other currencies.

FUND POSITIONING

- A RMB bond fund aims to capture stable dividends
- At least 70% in debt securities, bonds and deposits that are denominated or settled in RMB

FUND DETAILS

| | |
|--------------------|--|
| Base Currency | RMB |
| Management Fee | 1.00% p.a. |
| Preliminary Charge | Up to 5.00% |
| Realisation Charge | Currently waived |
| Dealing Frequency | Daily (HK business days) |
| Dividend Frequency | Monthly (Aims to provide a monthly dividend, dividend is not guaranteed and distributions may be paid out of income and/or capital*) |
| Record Date** | 14 th day of every month |
| Ex-Dividend Date | One business day after Record Date |
| Fund Size | RMB86 million |

** If such day is not a business day, the record date will be the immediately preceding business day.

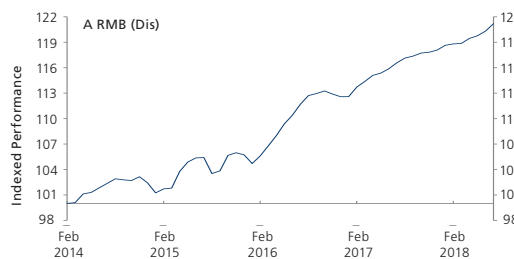
| | NAV per Unit | Launch Date |
|-------------|--------------|-------------|
| A HKD (Dis) | HK\$88.91 | 28 Feb 2014 |
| A RMB (Dis) | RMB98.91 | 28 Feb 2014 |
| A USD (Dis) | US\$8.79 | 28 Feb 2014 |

CODES

| | ISIN | Bloomberg |
|-------------|--------------|------------|
| A HKD (Dis) | HK0000176740 | BEARCAH HK |
| A RMB (Dis) | HK0000176732 | BEARCAR HK |
| A USD (Dis) | HK0000176757 | BEARCAU HK |

PERFORMANCE

| | Cumulative Performance % | | | | Calendar Year Performance % | | | | Volatility % |
|-------------|--------------------------|--------|--------|--------------|-----------------------------|------|------|------------------|----------------------|
| | YTD | 1 Year | 3 Year | Since Launch | 2017 | 2016 | 2015 | 2014 | 3 Years (Annualised) |
| A HKD (Dis) | -1.6 | 3.1 | 6.2 | 10.0 | 13.1 | 0.4 | -2.4 | 0.7 ⁴ | 6.4 |
| A RMB (Dis) | 2.6 | 3.9 | 15.0 | 21.2 | 4.9 | 6.5 | 3.2 | 2.4 ⁴ | 2.2 |
| A USD (Dis) | -2.0 | 2.6 | 4.9 | 8.8 | 12.2 | 0.5 | -2.2 | 0.7 ⁴ | 6.3 |



DIVIDEND⁵

| | July 2018 | Dividend per Unit | Annualised Yield |
|-------------|-----------|-------------------|------------------|
| A HKD (Dis) | | 0.35 | 4.6% |
| A RMB (Dis) | | 0.37 | 4.5% |
| A USD (Dis) | | 0.035 | 4.7% |

GEOGRAPHICAL ALLOCATION

| | | |
|---------------------------------|-------|--|
| China | 42.0% | |
| Other Asia Pacific [^] | 37.3% | |
| Canada | 6.0% | |
| Europe | 5.9% | |
| Cash | 5.3% | |
| Hong Kong | 3.5% | |

[^]Other Asia Pacific includes Korea, Singapore, Australia, Qatar, and UAE

SECTOR ALLOCATION

| | |
|-------|-------------------|
| 1.6% | Others |
| 4.6% | Industrials |
| 5.3% | Cash |
| 8.2% | Government |
| 9.1% | Properties |
| 14.3% | Government Agency |
| 56.9% | Financials |

TOP HOLDINGS

| | Market | Sector | Weights |
|--|--------------------|-------------------|---------|
| China Development Bank 4.69% 23/03/2023 | China | Government Agency | 6.1% |
| China Gov't Bond 3.77% 08/03/2025 | China | Government | 4.8% |
| BOC Aviation 4.50% 17/10/2020 | Other Asia Pacific | Financials | 4.7% |
| China Construction Bank 4.90% 12/11/2024 | China | Financials | 4.7% |
| Busan Bank 4.85% 25/05/2021 | Other Asia Pacific | Financials | 4.7% |

CURRENCY EXPOSURE

| RMB | USD | Others |
|-------|------|--------|
| 92.5% | 6.4% | 1.1% |

SUMMARY STATISTICS

| | |
|-----------------------|-----------|
| Average Credit Rating | A |
| Investment Grade | 94.6% |
| Non-Investment Grade | 5.4% |
| Duration | 2.0 years |
| Current Yield | 4.3% |

1. © 2018 Morningstar. All Rights Reserved. Data as of 31 July 2018. The rating is for A RMB (Dis).

2. Source: The Asset, 2018 Research for Asian Local Currency Bonds, June 2018.

3. Source: BENCHMARK, November 2017.

4. Since launch till 31 December of the same year.

5. 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