

- BEA Union Investment Asia Pacific Multi Income Fund (the “Fund”) seeks to achieve income and long-term capital growth by investing in an actively managed portfolio of debt securities, listed REITs, and other listed securities in the Asia Pacific region.
- The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
- The Fund invests directly in listed REITs, equities and managed funds, and is thus subject to the risks generally associated with such asset classes, including but not limited to liquidity of the asset class, changes in investment sentiment, political environment, economic, business and social conditions in local and global marketplace.
- The Fund may invest in lower-rated fixed income instruments, including below investment grade and 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.
- Investors may invest in RMB (Hedged) units. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. There is also no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of investors’ investments. There is no guarantee that the hedging strategy will be effective and investors may still be subject to the RMB currency exchange risk.
- The Fund may enter into futures contracts for hedging and investment purposes. Given the leverage effect embedded in futures contracts, the Fund may be exposed to significant losses.
- Investors should not make an investment decision based solely on this material.

BEA Union Investment **Asia Pacific Multi Income Fund**

《Positive Outlook for Chinese High Yield Consumer and Retail Bonds》

★★★★

Morningstar Overall Rating¹

27 November 2017



Highlights:

- The Fund has achieved 10.6%² YTD and 7.5%² in 1 year
- Increased exposure in Chinese high yield consumer and retail bonds
- Reduction in underperforming equities and rotation into higher yielding equities in Australia and Singapore

Q1: How has the BEA Union Investment Asia Pacific Multi Income Fund (“the Fund”) performed recently? What were the latest annualised dividend yields?

A1: Asian equity and bond markets are performing well in general this year, with the Fund achieving a positive return of **10.6%² year-to-date; 7.5%² in 1 year, and 51.4%² since its launch in May 2012.**

Fund Performance	YTD	1 Year	Since Launch
A USD (Distributing)	10.6% ²	7.5% ²	51.4% ²

Meanwhile, October’s annualised dividend yield was 6.1%³ for A USD (Distributing) and 6.0%³ for A HKD (Distributing) respectively; that of A RMB Hedged (Distributing) was at 8.4%³. The Fund **can provide investors with a stable dividend income and capital appreciation.**

BEA Union Investment seeks to distribute the dividend from net distributable income. Net distributable income means interest income net of fees and expenses, and net realised gains.

Throughout most of the past 12 months, the dividends of the Fund were 100% distributed from net distributable income.

October 2017	Dividend per Unit	Annualised Dividend Yield ³
A USD (Distributing)	US\$ 0.05500	6.1%
A HKD (Distributing)	HK\$ 0.55000	6.0%
A AUD Hedged (Distributing)	AU\$ 0.06100	8.0%
A RMB Hedged (Distributing)	RMB 0.68000	8.4%
A NZD Hedged (Distributing)	NZD 0.06400	8.3%

Q2: What is the fund manager's view of the Asian bond markets?

A2: President Trump has nominated Jerome Powell to run the Federal Reserve (Fed) after Janet Yellen's term expires in February next year. U.S. Treasury yields rose only slightly, to 2.4%, as the expectation is that the next Fed chair will continue to tighten monetary policy. Despite this, Asian credits posted another month of strong growth overall, with high yield bonds continuing to perform well.

We remain positive on the Asian bond markets given the **consistent demand for Asian high yield bonds. Besides, Asian bonds also have a low correlation with rising global interest rates, while the credit quality of some high yield bond issuers is improving.**

Q3: What is the fund manager's outlook for Asian equity markets?

A3: The 19th National Party Congress sent two important signals to the market. First, its emphasis on the "quality" over "quantity" of economic growth with no near-term growth target was mentioned. This was a major break with tradition and interpreted as a step towards weaning the country away from its practice of using debt-financed fixed asset investment to meet economic targets. Second, reform is still the government's main goal. Supply-side reform will remain a priority and is likely to push many industries both up and down the value chain towards consolidation, improving returns and – as a secondary effect – banks' asset quality. Because of this, **the focus of the government's deleveraging drive is likely to remain on corporates. It is expected that monetary policy will remain tight for the time being and that market rates will stay at their current high levels. This should continue to benefit larger banks and insurance companies.**

Taiwan's equity market also rose as stocks in the I.T. sector continued to rally. Conditions are extremely favourable in the smartphone supply chain, with ever higher specifications leading to industry consolidation and superior pricing. Sales volumes are expected to be robust with the launch of new flagship models from Samsung and Apple, and also due to restocking in China.

Q4: What is the Fund's current investment strategy for its bond and equity portfolio?

A4: **The Fund is adding to its exposure in Chinese high yield consumer and retail bonds**, as more Chinese corporates announce their third quarter results. **The consumer and retail sectors show robust sales growth.** On the other hand, the momentum of Asian local bond markets has softened for two consecutive months as local currencies weaken while the U.S. dollar strengthens, for example, Indonesian local bonds corrected in October. The Fund therefore reduced its position in Indonesian rupiah bonds, while the Chinese onshore and offshore bond markets have remained our top picks among the local currency bond markets.

In terms of equities, the Fund reduced its position in underperforming names and **rotated into higher yielding stocks in Australia and Singapore. The Fund also tactically took profit on some outperforming positions.**

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If you would like to stay informed of the market development and our latest investment strategy, please feel free to register as a member of BEA Union Investment through the link below:

<http://www.bea-union-investment.com/member-registration>
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Fund Code

	ISIN	Bloomberg
A USD (Distributing)	HK0000107257	BEAPMIU HK
A HKD (Distributing)	HK0000107265	BEAPMIH HK
A USD (Accumulating)	HK0000122330	BEAPUAA HK
A AUD Hedged (Distributing)	HK0000162815	BEAPAAH HK
A RMB Hedged (Distributing)	HK0000194255	BEAPARH HK
A NZD Hedged (Distributing)	HK0000162849	BEANZDH HK

Source of the fund data: BEA Union Investment Management Limited, as at 31 October 2017.

1. Source: ©2017 Morningstar. All Rights Reserved. Data as of 31 October 2017. The rating is for A USD (Distributing).
2. Source: Lipper, as at 31 October 2017. The quoted return is for A USD (Distributing), performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested. Past performance for A USD (Distributing): YTD: 10.6%, 2016: 6.3%, 2015: 0.4%, 2014: 2.7%, 2013: 5.1%, since launch till end of 2012: 19.0%. A USD (Distributing) was launched on 11 May 2012.
3. Annualised dividend yield = (dividend of October x 12) / last month end NAV x 100%. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. Such distribution may result in an immediate reduction of the net asset value per unit. Dividend only applies to distributing classes and is not guaranteed. Past dividend record is not indicative of future dividend likely to be achieved. 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 above. You should read the relevant offering document (including the key facts statement) of the Fund for further details including the risk factors.

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 information contained in this document is based upon information which BEA Union Investment Management Limited considers reliable and is provided on an "as is" basis. This document does not constitute an offer, recommendation or solicitation to buy or sell any securities or financial instruments. Reference to specific securities (if any) is included for the purpose of illustration only and should not be construed as a recommendation to buy and sell the same. All securities mentioned herein may or may not form part of the holdings of BEA Union Investment Management Limited's portfolios at a certain point of time, and the holding may change over the time. 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 and the website have not been reviewed by the SFC in Hong Kong.

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