

Important note:

1. BEA Union Investment Asian Bond Target Maturity Fund 2022 (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.
2. The duration of 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.
3. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
4. 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.
5. 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.
6. 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.
7. 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.
8. The Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose and may result in significant losses.
9. Investors should not make an investment decision based solely on this material.

BEA Union Investment Asian Bond Target Maturity Fund 2022 ("ATM")

Yield Enhancement Strategy in a Rate Hike Cycle


Highlights:

- 1. USD LIBOR is consistently higher than HIBOR**
- 2. Decreasing bond price's sensitivity to interest rate change in 3-year investment tenor**
- 3. Our investment team has maintained a 0% default rate for over 10 years**

Fund Features

- Aims to provide 12 quarterly dividends
(Dividend is not guaranteed and distributions may be paid out of income and/ or capital ^{important note 5})
- Aims to provide dividends at an annualised rate of above USD 3-month LIBOR*
- 3-year fixed investment tenor
- Diversified across a number of high-quality Asian bonds

Market Outlook

USD LIBOR is consistently higher than HIBOR

The U.S. Federal Reserve is continuing to normalise interest rates. The USD 3-month LIBOR, which is highly correlated with the Fed Funds rate, has continued to rise over the previous two years. HIBOR, while also increasing, has nevertheless lagged behind.

Hong Kong's banks have discretion to determine the interest rate depending on the cost of capital in the market, resulting in a rate gap between Hong Kong and the U.S.



Source: Bloomberg, data from 1 Jan 2017 to 21 Dec 2018

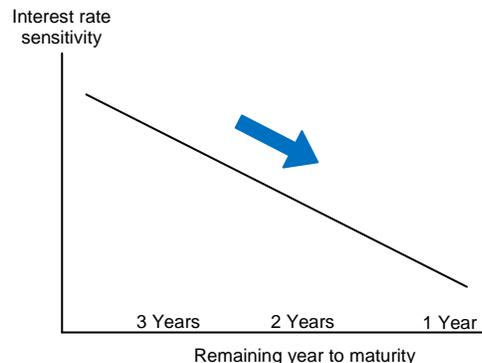
In this environment, investors can benefit from instruments with returns linked to the market interest rate, such as the USD LIBOR, in order to enhance yield during the rate hike cycle.

Helps to mitigate market volatility

The Fund has a fixed investment tenor of 3 years. All underlying bonds will reach maturity before the end of January 2022. Therefore, the duration of the Fund will gradually shorten. Thus, its sensitivity to interest rate changes will decrease over time.

Aims to return capital on the target maturity date

As long as there is no default during the investment period, the bond will repay the principal upon maturity. Thus, the Fund aims to return investors' capital on the target maturity date.



Source: BEA Union Investment

Why BEA Union Investment?

Award-winning team

- The team has won a total of 58 performance awards in fixed income funds since 2012¹, including “Best Fund House in Asia Fixed Income” in the BENCHMARK Fund of the Year Awards 2017².

Effective risk monitoring with 0% default rate

- Since the firm's establishment in 2007, there has been no bond default in the firm's investment portfolio. We have effective risk monitoring in place to avoid potential credit events and to adjust portfolio holdings accordingly.

Diversification

- Unlike individual bonds, the Fund is diversified across a number of high-quality Asian bonds to lower risk.

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>

Recent Award



One of the Top Investment Houses
in Asian G3 Bonds (Hong Kong)³



One of the Top Investment Houses
in Asian Local Currency Bonds
(Hong Kong)⁴



House Award,
Best-In-Class,
Asia Fixed Income²

Highly Regarded Award-Winning Fixed Income Team

- The fixed income professionals of BEA Union Investment Management Limited have been recognised by the Asset as “One of the Astute Investors in Asian G3 Bonds (Hong Kong)³” and “One of the Astute Investors in Asian Local Currency Bonds (Hong Kong)⁴” in 2018.
- The company has been named “One of the Top Investment Houses in Asian G3 Bonds (Hong Kong)³” and “One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)⁴” in 2018 by the Asset, and “Best Fund House in Asia Fixed Income²” by BENCHMARK in 2017.
- The Asian Bond and Currency fund, managed by the same fixed income team, has won 33 fund awards⁵ since 2012.

Fund Code

	ISIN	Bloomberg
A USD (Distributing)	HK0000464047	BEABTAU HK
I USD (Distributing)	HK0000465283	BEABTIU HK
A HKD (Distributing)	HK0000464054	BEABTAH HK
A RMB Hedged (Distributing)	HK0000464062	BEABTAR HK

Source of the fund data: BEA Union Investment Management Limited, as at 31 December 2018.

- * 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
- Awarding organisations include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, Fundsupermart.com, The Asset, and Thomson Reuter Lipper
 - Source: BENCHMARK, November 2017.
 - Source: The Asset, 2018 Research for Asian G3 Bonds, October 2018.
 - Source: The Asset, 2018 Research for Asian Local Currency Bonds, June 2018.
 - The fund has won 33 fund awards since 2012. Organisations which have granted awards to the fund include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, Fundsupermart.com and Thomson Reuters Lipper.

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. 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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