

Important note:

1. BEA Union Investment RMB Core Bond Fund (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.
2. 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.
3. 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.
4. 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.
5. 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.
6. Investors should not make an investment decision based solely on this material.

BEA Union Investment RMB Core Bond Fund

★★★★
Morningstar Overall Rating¹

New Issuance Dim Sum Bonds Offer Attractive Yields



Highlights:

1. Current yields of new issuance Dim Sum bonds look attractive, with balanced supply and demand
2. Yields for renminbi bonds will remain stable due to market expectation of further a RRR cut in China
3. The Fund has risen 3.8%² in 1 year

Fund Features

- A RMB bond fund that aims to capture stable dividends.
- At least 70% invested in debt securities, bonds and deposits that are denominated or settled in RMB.
- Investment grade average credit rating.

Market Review and Outlook

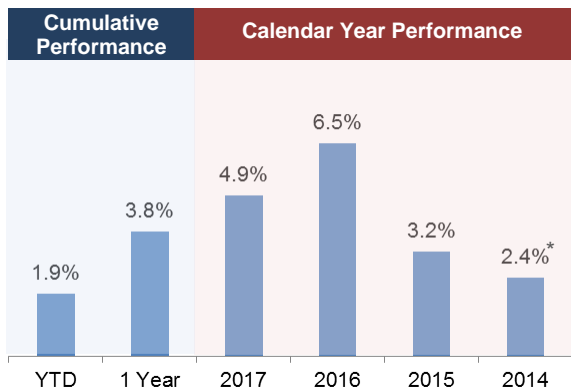
- The U.S. dollar continued to strengthen in June, while both the renminbi onshore bond and offshore bond markets were impacted by the depreciation of the renminbi, as well as investors' concerns about a brewing trade war. We expect the renminbi to remain weak in the short term, but to a lesser extent than other Asian currencies.
- Current yields for some of the new issuance Dim Sum bonds look attractive; yields can reach 4% for investment grade bonds and 6 to 7% for short-maturity high yield bonds.
- We expect the yields for renminbi bonds to remain stable due to market expectation of further cuts to the reserve requirement ratio in 2018.

Investment Strategy

- In view of weak investor sentiment, the Fund has reduced its holdings in some higher beta names and switched into bonds with better credit quality.
- We prefer investment grade bonds in the Chinese onshore market, e.g. government bonds, given their attractive yields, better liquidity, and more defensive nature.
- The Fund continues to invest into U.S. dollar denominated bonds through currency hedge for a higher yield carry.

Fund Performance and Dividend

Performance² : A RMB (Distributing)



* Since launch till 31 December of the same year. A RMB (Distributing) launched on 28 February 2014.

Dividend

June 2018	Dividend per Unit	Annualised Dividend Yield ³
A HKD (Distributing)	HK\$ 0.35	4.5%
A RMB (Distributing)	RMB 0.37	4.5%
A USD (Distributing)	US\$ 0.035	4.5%

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 Local Currency Bonds
(Hong Kong)⁴



House Award,
Best-In-Class,
Asia Fixed Income⁵

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 Local Currency Bonds (Hong Kong)⁴” in 2018 and “One of the Astute Investors in Asian G3 Bonds (Hong Kong)⁶” in 2017.
- The company has been named “One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)⁴” in 2018 and “One of the Top Investment Houses in Asian G3 Bonds (Hong Kong)⁶” in 2017 by the Asset, and “Best Fund House in Asia Fixed Income⁵” by BENCHMARK in 2017.
- The Asian Bond and Currency fund, managed by the same fixed income team, has won 32 fund awards⁷ since 2012.

Fund Code

	ISIN	Bloomberg
A HKD (Distributing)	HK0000176740	BEARCAH HK
A RMB (Distributing)	HK0000176732	BEARCAR HK
A USD (Distributing)	HK0000176757	BEARCAU HK

Source of the fund data: BEA Union Investment Management Limited, as at 30 June 2018.

- Source: ©2018 Morningstar. All Rights Reserved. Data as of 30 June 2018. The rating is for A RMB (Distributing).
- Source: Lipper, as at 30 June 2018. The quoted NAV is for A RMB (Distributing) launched on 28 February 2014, performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
- Annualised dividend yield = (dividend of June 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.
- Source: The Asset, 2018 Research for Asian Local Currency Bonds, June 2018.
- Source: BENCHMARK, November 2017.
- Source: The Asset, 2017 Research for Asian G3 Bonds, October 2017.
- The fund has won 32 fund awards since 2012. Organisations which have granted awards to the fund include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, FundsUPERMART.COM and 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.
Issuer: BEA Union Investment Management