

BEA Union Investment

Asian Bond Target Maturity Fund 2022 ("ATM")

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.

Our Floating Dividend Mechanism Helps Enhance Yield in a Rate Hike Cycle



**Aims to
Provide a Quarterly
Dividend**

Dividend is not guaranteed and distributions may be paid out of income and / or capital important note 5

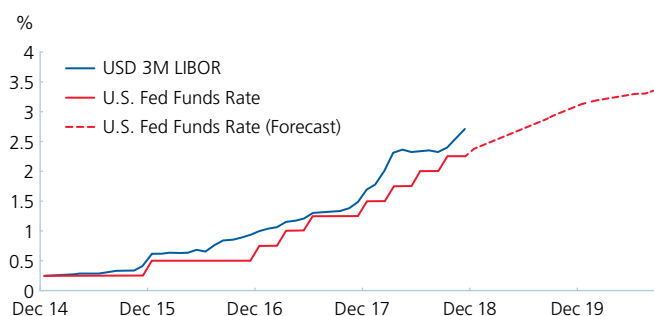
Subscription _____
only available from
7-18 January 2019



Strong Demand for Investment Instruments with Floating Dividends

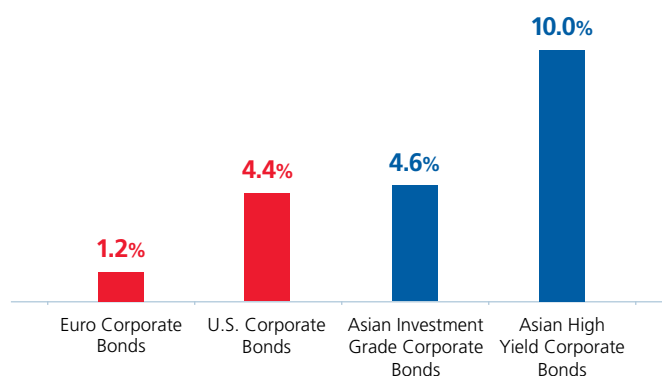
- The U.S. Federal Reserve is continuing to normalise interest rates. The market expectation is a few hikes in 2019 and 2020. In this environment, investors can benefit from instruments with returns linked to market interest rates such as the LIBOR
- The return profile of Asian bonds is more attractive than that of their U.S. and European counterparts, with Asian high-yield bond yields having risen to 10%
- In addition, Asian bonds continue to be supported by improving fundamentals and corporate earnings, a trend of decreasing leverages, and a low default rate

LIBOR Rises with Interest Rates



Source: Bloomberg, from 31 December 2014 to 30 November 2018. U.S. Fed Funds Rates for 2019 and 2020 are predictions

Yields of Asian Bonds Higher than Those of Developed Markets



Source: Bloomberg, as at 15 November 2018. Quoted yield is yield to maturity. Euro Corporate Bonds are represented by the BofA Merrill Lynch Euro Corporate Index; U.S. Corporate Bonds by the BofA Merrill Lynch U.S. Corporate Index; Asian Investment Grade Corporate Bonds by the BofA Merrill Lynch Asian Dollar Investment Grade Corporate Index; Asian High Yield Corporate Bonds by the BofA Merrill Lynch Asian Dollar High Yield Corporate Index

The Ideal Investment Solution in a Rising Interest Rate Environment - BEA Union Investment Asian Bond Target Maturity Fund 2022 ("ATM")

Floating Dividend Mechanism

- Aims to provide **12 quarterly dividends** at an annualised rate of **above the USD 3-month LIBOR*** (Dividend is not guaranteed and distributions may be paid out of income and/or capital[^])
- The USD 3-month LIBOR is floating and closely correlated with the federal funds rate

Fixed Investment Tenor

- A **3-year** term of investment with a target maturity date of 31 January 2022

Return of Capital

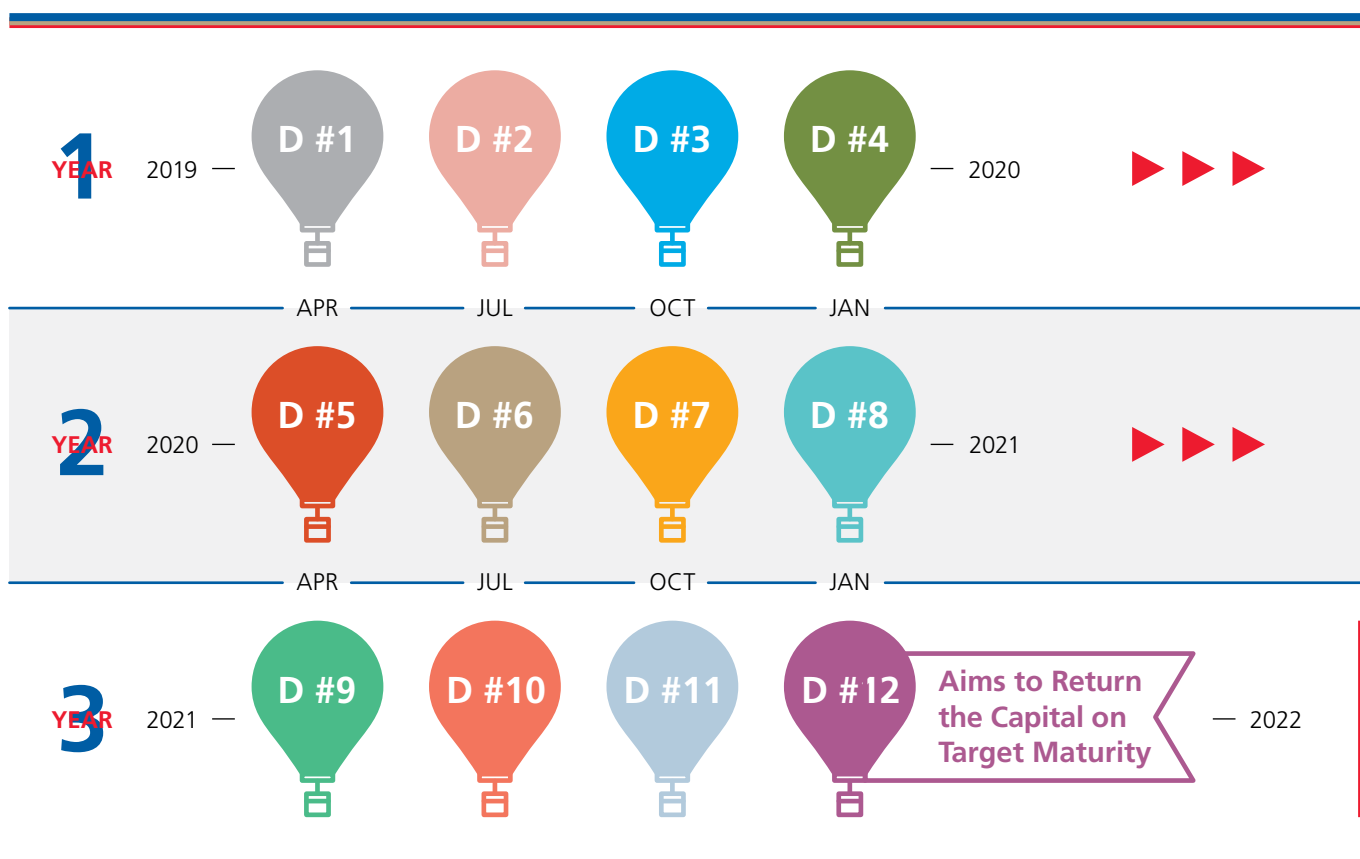
- Aims to **return the capital** on the target maturity date

* 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

[^] 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 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.

Expected Dividend Schedule – Quarterly Distribution with Floating Dividend Mechanism

- 12 quarterly distributions (see below diagram for illustration) – aims to distribute at an annualised rate of above the USD 3-month LIBOR* (Dividend is not guaranteed and distributions may be paid out of income and/or capital¹⁾)
- Reference USD 3-month LIBOR as at 30 November 2018: 2.7%
LIBOR – London Interbank Offered Rate (LIBOR) is an interest rate based on the average interest rates at which a large number of international banks in London lend money to one another
- Distribution mainly comes from interest income and realised gains of bonds



D – dividend. The period of quarterly dividend covers each three-month period ending on the last day of January, April, July and October

Diversification

- Unlike individual bond investments with fixed maturities, this Fund is diversified across a number of high-quality Asian bonds to lower risks

Effective Risk Monitoring

- Effective risk monitoring is in place to avoid potential credit events and to adjust portfolio holdings accordingly

Award Winning Team

- The company has been named “One of the Top Investment Houses in Asian G3 & Local Currency Bonds (Hong Kong)¹⁾” by The Asset in 2018 and “Best Fund House in Asia Fixed Income²⁾” by BENCHMARK in 2017
- A total of 58 performance awards³⁾ in fixed income funds since 2012

1. Source: The Asset, 2018 Research for Asian G3 Bonds, October 2018; 2018 Research for Asian Local Currency Bonds, June 2018

2. Source: BENCHMARK, November 2017

3. Awarding organisations include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, Fundsupermart.com, The Asset, and Thomson Reuter Lipper

Expected Summary Statistics

Portfolio yield	5.44%
Average credit rating	BBB-
Asian investment grade bond portion	53%
Asian high yield bond portion	47%

Examples from Various Sectors

Sectors	Issuer	Credit Rating	Yield-to-Maturity
Financial Services	ICBCIL Finance	A+/A2	3.93%
Banking	Shanghai Pudong Development Bank	BBB	3.55%
Property	Agile	BB/Ba3	8.40%
Services	Studio City	BB-/Ba3	6.65%

Source for expected summary statistics: BEA Union Investment Management Limited, as at 30 November 2018; source for yield-to-maturity: Bloomberg, as at 30 November 2018. The expected summary statistics and examples from various sectors are for illustrative purposes only. It does not constitute an offer, recommendation or solicitation to buy or sell any securities or financial instruments. Actual allocations may differ.

Fund Details

Unit Class	A USD (Distributing)	A HKD (Distributing)	A RMB (Hedged) (Distributing)
Issue Price	US\$10	HK\$100	RMB100
Minimum Investment Amount	US\$50,000	HK\$400,000	US\$50,000 (or its equivalent)
Minimum Redemption Amount	US\$50,000	HK\$400,000	US\$50,000 (or its equivalent)
Dividend Frequency	Quarterly (aims to provide a quarterly dividend; dividend is not guaranteed and distributions may be paid out of income and/or capital [^])		
Record Date ^{^^}	14th day of the month following the corresponding three-month period		
Ex-Dividend Date	One business day after Record Date		
Expected First Record Date	14 May 2019		
Dealing Frequency	Weekly (Each Friday; and if such day is not a business day, then the immediately following business day)		

IPO Period	7-18 January 2019
Launch Date	18 January 2019
Target Maturity Date	31 January 2022

Base Currency	US\$
Management Fee	0.6% p.a.
Preliminary Charge	Up to 3.0%
Realisation Charge ^{^^^}	1.5% for early redemption

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^{^^} If the 14th is not a business day in any particular month, the record date will be the immediately preceding business day

^{^^^} 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.

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 company website have not been reviewed by the SFC in Hong Kong.

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