

## Important note:

1. 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.
2. The Fund is subject to general investment risk, equity market risk, asset allocation risk, Asian market concentration risk, emerging market risk and currency risk.
3. The Fund invests in debts securities and is subject to risks in interest rates, credit/counterparty, downgrading, below investment grade or non-rated securities, volatility and liquidity, valuation and sovereign debt and credit rating risks which may adversely affect the price of the debt securities.
4. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. 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. 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 the currency hedged class units will be hedged at all times or that the manager will be successful in employing the hedge.
6. RMB is currently not a freely convertible currency as it is subject to exchange controls and restrictions. 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 the RMB could adversely affect the value of investors' investments.
7. The Fund may use financial derivative instruments for hedging and investment purposes which may not achieve the intended purpose and may result in significant losses. Risks associated with derivative instruments include counterparty/ credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk.
8. Investors should not make an investment decision based solely on this material.

## BEA Union Investment Asia Pacific Multi Income Fund ("APM")

### Remains positive on Australia and cautious on Chinese properties

*Highlights:*

1. Remains positive on the investment potential of Australia
2. Prefer short duration high yield bonds in the financial sector, which is defensive
3. Remain cautious on the Chinese properties

#### Fund Features

- The Fund focuses on high yielding Asia Pacific bonds and equities, distributions from both bonds and equities are the main source of income.

#### Market Review

The United States (US) consumer price index (CPI) continued to stay high, rose by 8.3% year-on-year in April 2022. Facing the inflation which is nearly the highest in 40 years, the US Federal Reserve ("Fed") has already raised the interest rate twice this year, including an interest rate hike of 50 basis points in May, which was the first time since 2000. The latest target range for the federal funds rate is 0.75 to 1%, which was another measure adopted by the Fed to speed up the monetary tightening policy. Fed Chairman Jerome Powell reiterated that half-point rate hikes are likely at upcoming two meetings. However, he indicated that a 75 basis point hike is not something the committee is actively considering. In addition, the plan of balance sheet reduction is also confirmed to kick off in June, with an expectation to reduce its bond holdings at a maximum pace of US\$95 billion a month. US Purchasing Managers' Index (PMI) continued to remain solid especially on the service sector. As wage growth accelerated, inflation is highly likely to spiral. US CPI and Producer Price Index (PPI) continued to hit historical high.

**Fund Report (May 2022)**

MSCI Asia Pacific (ex Japan) Index declined 5.3% in April 2022 due to multiple factors including the continued geopolitical tension, China's zero-COVID policies, supply chain disruption, stagflation risk, strong US dollar, the Fed's hawkish attitude and the commodity price volatility. Taiwan, Singapore and Philippines were the main underperformers. India's PMI continued to be strong. Coupled with the intensifying inflation, Reserve Bank of India was urged to accelerate its rate hike pace.

China's PMI fell sharply in April as the pandemic situation was severe and some key cities were locked down. Furthermore, China's property market remained quiet while land purchases continued to be supported by government related entities. Australia's economy develops in a solid way and its GDP has continued to grow for many years, with only a slight adjustment after the COVID outbreak, reflecting it is supported by strong domestic demand.

**Market Outlook**

10-year US treasury yield surged to 2.93% from 2.38% in April. Our investment team expects the US treasury yield to stay high on the back of the aggressive measures by the central bank to combat soaring inflation.

In Mainland China, the GDP growth target for 2022 was set at 5.5% at the National People's Congress. In the first quarter of 2022, the GDP growth rate was 4.8%. Facing more challenges driven by the latest COVID-19 wave which led to the lockdown in many cities, Market remains a wait-and-see attitude on China's growth outlook this year. With the expectation of a relatively loose monetary policies, BEA Union Investment believes growth might start to pick up in the next few months, at a relatively gradual pace.

As the conflict between Russia and Ukraine drag on and China ran into lock down for a number of key cities, energy price and disruption to global supply chain will eventually translate to higher CPI. Possible embargo to Russian oil to Europe will also add fuel to energy price.

**Investment Strategy**

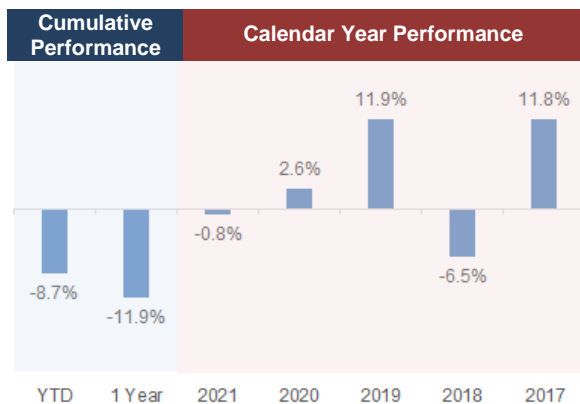
The recent volatility in global markets was mainly induced by the Fed's rapid rate hikes, the prolonged conflict between Russia and Ukraine and the new coronavirus variant, which have altogether brought uncertainty to the market. In particular, the geopolitical tension in Russia and Ukraine brought significant market impact. Our investment team will continue to closely monitor the development. The intensifying inflation and supply chain disruption caused the slowdown of the economic growth in the recent months, and the pace was out of expectation. On the positive side, we believe the recent market correction has largely priced in the factors of weak macro environment and the negative sentiment on the geopolitical concern. Based on the current market valuation, we believe it will provide support for the market in the medium to long term.

On the backdrop of the global supply chain disruption and rising energy prices, investment team stays positive on short duration high yield bonds in the financial sector, which is defensive, as well as Southeast Asian high yield bonds as they are benefited from the price surge of large commodities, providing decent interest rate spread. Our investment team remains positive on Australia since they have good corporate governance and there are many quality corporation.

BEA Union Investment continues to remain cautious on the Chinese property sector. Reasons are threefold. Contracted property sales is still weak; the lockdown measures dampen homebuyers' sentiment and the possibility of continuing default cases due to the tight liquidity of developers. Overall speaking, we believe the keys to accelerate the economic recovery lie in the possibilities of a turnaround of China's anti-epidemic strategies and a more accommodative monetary policy.

Impacted by external factors, markets will still fluctuate in the short term. In terms of overall strategy, we prefer stocks but we are more conservative on bonds. This Fund will allocate flexibly in Asia-Pacific equities and bonds to navigate market volatility and strive for potential return. With stringent risk management, our investment team is actively adjusting the portfolio holdings in response to market conditions.

**Fund Performance**

 Performance<sup>1</sup> : A USD (Distributing)


A USD (Distributing) launched on 11 May 2012.

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>
**Fund Code**

	ISIN	Bloomberg
A USD (Accumulating)	HK0000122330	BEAPUAA HK
A RMB Hedged (Accumulating)	HK0000282605	BEAARHA HK
A EUR Hedged (Accumulating)	HK0000405701	BEAAEHA HK
A USD (Distributing)	HK0000107257	BEAPMIU HK
A HKD (Distributing)	HK0000107265	BEAPMIH HK
A AUD Hedged (Distributing)	HK0000162815	BEAPAAH HK
A RMB Hedged (Distributing)	HK0000194255	BEAPARH HK
A NZD Hedged (Distributing)	HK0000162849	BEANZDH HK
A EUR Hedged (Distributing)	HK0000405693	BEAAEHD HK

Source of the fund information: BEA Union Investment Management Limited, as at 29 April 2022.

- Source: Lipper, as at 29 April 2022. The quoted return is for A USD (Distributing) launched on 11 May 2012. Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.

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 authorized by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorization 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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