

**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 debt 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")

### Low price-to-earnings ratios of Asian stock markets, attracting attention for the investment potential

*Highlights:*

1. **Low price-to-earnings ratios of Asian stock markets, attracting attention for their investment potential**
2. **Conservative on bonds**
3. **Stringent risk management by our investment team**

**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**

U.S. released the latest inflation data and the consumer price index (CPI) rose by 7.5% year-on-year in January which was higher than the market expectation of 7.3% and a record high in 40 years. The U.S. Federal Reserve ("Fed") discussed a timetable for rate hikes at its January meeting and was ready to raise interest rates in March 2022. The Fed didn't rule out moving at every meeting to tackle the highest inflation in a generation. US treasuries yields trading was higher and rocketed to 1.88%. The curve started to flatten in the face of faster rate hike expectation.

Regarding the Asia market performance in January 2022, China's financial, some India and Indonesia names outperformed in the high yield sector with a positive return. India's manufacturing and service sectors continued to expand strongly while industrial production further increased. Consumer inflation rate picked up further along with the economy recovery. Indonesia's manufacturing sector continued to improve with the country's trade surplus at historical high which was benefited by commodity exports. Furthermore, Chinese property names' performance was under pressure, impacted by rumors on potential debt extension of developers and the continuing weak contract sales.

Australia's GDP has continued to grow for nearly 30 years, only slightly adjusted after the COVID outbreak. It reflects its economic development is solid with strong domestic demand support.

**Market Outlook**

BEA Union Investment believes inflation is becoming a long-term trend in 2022. Market generally expects the Fed will gradually increase rate for not less than 3 times this year. Overall speaking, we are concerned about the trend of US Treasury yields and expecting the Fed to be more hawkish regarding interest rates, which will affect the direction of the credit market. We also turned slightly cautious on higher beta and long term South East Asia equities on the backdrop of the Fed's tightening policies.

About the Mainland China, the COVID outbreak has been largely contained under the nearly complete lockdown policy but its economic growth is under pressure. As for the second half of last year, stock market performance was dragged down by the government's regulation tightening on sectors such as real estate, the internet, and education, leading to slower development. Following the implementation on the "shared prosperity" national policy, the market still takes time to digest the changes. Once the market consolidates or the government signals to pass more accommodative policies, we believe domestic housing credit conditions will improve. Moreover, the Mainland's zero-COVID policy, developments in industrial regulations, and the implementation of policies have all played an important role.

Driven by the pandemic, we believe shipping, technology, and even virtual reality ("VR") and augmented reality ("AR") sectors will remain robust, while sectors such as electric vehicles and solar energy that are less sensitive to economic cycles will also benefit. E-commerce and online advertising are expected to benefit from gradual economic recovery in the second half of 2022.

**Investment Strategy**

In terms of overall strategy, our view remains optimistic on stocks and conservative on bonds. When there is more clarity in the aspects of economy and policy, we will increase our weightings in those markets that lagged behind. The price-to-earnings ratio of Asian stocks is relatively low, which provides growth potential and attracts much investor attention.

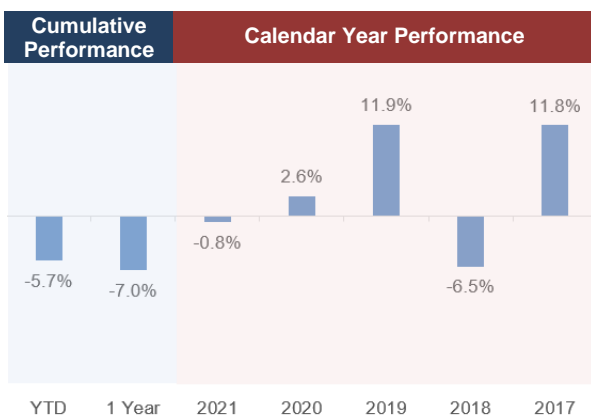
Australian companies have good corporate governance and there are many quality corporation. BEA Union Investment is particularly optimistic about resource sectors, such as natural gas and new energy. We will also increase China's TMT exposure in the investment portfolio. India's manufacturing and service industries will continue to grow strongly and the development of renewable energy will also strong. Indonesia's real estate industry has successfully shifted from focusing on the high-end market to a mass market, optimizing industry fundamentals. Hence, we are positive on the performance of these bonds.

Furthermore, the People's Bank of China has further relaxed mortgage loan quotas and accelerated disbursement. Under the Three Red Line policy, developers can draw out M&A loans, and asset-backed bonds will resume approval and issuance. State-owned enterprises and substantial private enterprises can benefit from this round of policy relaxation on the back of their better credit ratings. Our investment team plans to reduce holdings of non-performing credit companies in any market rebound.

With stringent risk management, our investment team is actively managing the portfolio 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 31 January 2022.

- Source: Lipper, as at 31 January 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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