

Important note:

1. BEA Union Investment Asian Bond and Currency Fund (the "Fund") seeks regular interest income, capital gains and currency appreciation from an actively managed portfolio primarily investing in debt securities denominated in Asian or other currencies and primarily issued by Asian government or corporate entities.
2. The Fund is subject to general investment 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 and non-rated securities, volatility and liquidity, valuation and sovereign debt and credit rating 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 Asian Bond and Currency Fund ("ABC")★★★★★
Morningstar Overall Rating***Favour Macau high yield on continued growth momentum***Highlights:*

1. **Favour India high yields due to strong macro fundamentals**
2. **Macau's gaming prospects remain strong in short to medium term**
3. **"Slightly underweight" Chinese property amid uninspiring sales and investment**

Fund Features

- The Fund adopts an unconstrained strategy, which allows a flexible allocation of assets in corporate bonds, government bonds, high yield bonds and investment grade bonds, to actively hunt for alpha opportunities.
- It aims to distribute stable dividends and capture the appreciation potential of Asian bonds.

Market Review & Outlook

The Fed had a hawkish pause in June. The 10-year US treasury yield surged as investors scaled back rate cut expectations after the Fed forecasted at least two more hikes this year. The Fed's words came after a series of resilient economic data. Core inflation slowed in May but remained high, while the labour and retail markets stayed resilient. Although the US Purchasing Manager Index weakened, it remained in expansionary mode on the back of a persistently strong service sector.

Fund Report (July 2023)

In China, the country's economic momentum remained weak in the absence of meaningful stimulus measures. China cut interest rates for the first time in 10 months. But the cuts were modest, trimming 1-year and 5-year loan prime rates by only 10bps. Impacts appear to be limited. June composite purchasing manager index softened from May amid weak demand. China faces potential deflation challenges as June consumer prices were unchanged after an insignificant rise of 0.2% in May. In addition, the beleaguered property market is still faltering. Annual contracted sales growth of top developers plunged to 6.7% in May from 31.6% in April, suggesting China's reopening impetus is fizzling out. Investors continue to look forward to whether the Chinese government will soon roll out policies to revive its economy and the housing sector.

While we expect state-owned and certain private developers to gain market share, our investment teams are gearing up for more headwinds in the housing market going into the second half, as new starts and residential investment trends remain discouraging. This means lesser new launches will be available going forward, while sales could be further crippled as China's economy remains fragile. Some policy measures could be introduced in the next few months, but the strength might be inadequate to turn around the situation. At the same time, more credit events in the property sector may unfold, undermining sentiment.

China reopening continues to benefit Macau's gaming sector. In June, the city's mass market gross gaming revenue recovered to more than 90% of the level in 2019. We expect recovery in the sector will continue to gather steam in the short to medium term.

In July, repricing of US rate hike expectations and a busy new issuance pipeline could weigh on the credit spread of Investment Grade bonds. The lack of stimulus and weaker-than-expected economic data may further weigh on the credit spreads of China beta names, sparking volatility, and subsequently creating bargain-hunting opportunities for better quality beta bonds.

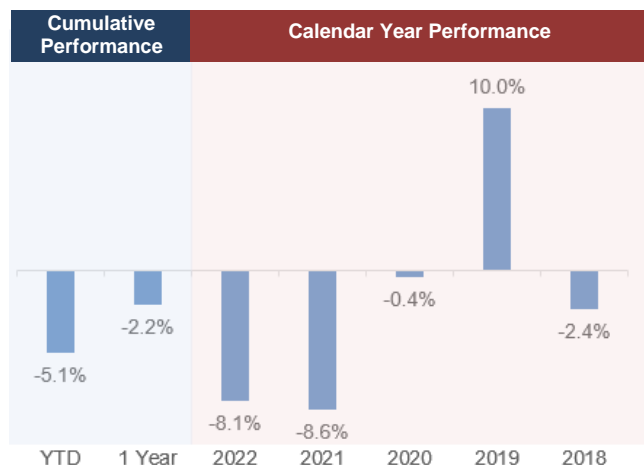
Investment Strategy

The Fund was slightly underweight Chinese property, and will remain so on concerns over persistently weak sentiment. The Fund has tactically increased allocation to emerging market high yield sovereign names. While China's economic outlook remains uncertain, the prospect of Macau's gaming sector continues to be positive. The Fund looks set to slightly overweight Macau high yield gaming names.

Our investment teams are staying constructive towards India high yield, which remains a better buy on strong macro fundamentals. India renewable names will fare well from supportive government policies and ESG demand. At the same time, the Fund will slightly overweight Indonesia Industrial high yield.

In the Investment Grade space, our investment teams revised up China to "slightly underweight" from "underweight". We are "slightly overweight" in duration towards Korea financial, Indonesia quasi, and China tech, media and telecommunications.

Fund Performance

 Performance¹ : A USD (Accumulating)


A USD (Accumulating) launched on 28 Aug 2008.

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 Awards

 Top Investment Houses
in Asian G3 Bonds
(Hong Kong, China)
Rank 3²

 Top Investment House
in Asian Local Currency
Bond (Hong Kong,
China), Highly
Commended³

 Gold Winner,
Regional Bond⁴

 Outstanding Achiever -
Asia Fixed Income⁵

 Best Bond Fund, Asia
Pacific, Hard Currency
(5 years)⁶

 Best-in-Class: Asia High
Yield Fixed Income⁷
Fund Code

	ISIN	Bloomberg
A USD (Accumulating)	HK0000065208	BEABCAA HK
A RMB Hedged (Accumulating)	HK0000272531	BEARMHA HK
A EUR Hedged (Accumulating)	HK0000405735	BEABCAE HK
I USD (Accumulating)*	HK0000081379	BEABCIA HK
I HKD (Accumulating)*	HK0000486685	BEABIHK HK
A USD (Distributing)	HK0000065216	BEABCAI HK
H HKD (Distributing)	HK0000081361	BEABCHD HK
A AUD Hedged (Distributing)	HK0000162856	BEAAUHD HK
A RMB Hedged (Distributing)	HK0000194263	BEARMHD HK
I HKD (Distributing)*	HK0000484854	BEABIHA HK

* For professional investor only

Source of the fund information: BEA Union Investment Management Limited, as at 30 June 2023

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Fund Report (July 2023)

Source: Lipper, as at 30 June 2023. The quoted return is for A USD (Accumulating) launched on 28 August 2008. Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.

Source: The Asset, 2022 Research for Asian G3 Bonds, performance as at June 2022.

Source: The Asset, 2021 Research for Asian Local Currency Bonds, performance as at June 2021.

Source: Fund Selector Asia, January 2020.

Source: BENCHMARK, performance as at June 2022.

Source: From Refinitiv Lipper Awards, ©2020 Refinitiv. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this content without express written permission is prohibited. Performance for A RMB (Distributing) as at 31 December 2019.

Source: BENCHMARK, performance as at June 2022.

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.

Issuer: BEA Union Investment Management Limited