

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")**

Sees opportunities in IT and energy stocks on robust fundamentals; Favours South Korean financial Investment Grade Bonds

**Highlights:**

1. **Closely monitor the China-US leaders summit; watch out for possible trade deals**
2. **Semiconductor cycle bottoming out will boost prospects of information technology (IT) shares**
3. **Favours South Korean financial and select Chinese Investment Grade Bonds**

Fund Features

- The Fund aims to capture growth and dividend income opportunities by investing in Asia Pacific equities and bonds.

Market Review & Outlook

Asian equities fell across the board in October, driven heavily by global dynamics, particularly the Fed's higher-for-longer narrative and the Israel-Hamas war. A resilient US economy hardened expectations that the Fed will postpone rate cuts further into next year. These factors sent US treasury yields higher, with the benchmark 10-year yield crossing its 16-year high of 5%. However, yields subsequently retreated in early November due to a raft of weak data prints, including the labour market.

Looking back, MSCI APxJ fell 3.9% in October from the previous month, hitting its year-to-date low. Indonesia, South Korea and the Philippines were the top underperformers. Indonesian shares were weighed down by the consumer discretionary and commodity sectors, while the country's surprise rate hike aimed at stabilising the currency sparked foreign fund outflows. Despite South Korea recording promising macro data prints, including GDP growth, South Korean equities declined across the board, weighed down by subdued quarterly results. However, the semiconductor industry painted a brighter picture among all sectors. Our investment teams believe the semiconductor industry has reached its bottom and is on track to recover in a slow and steady manner. We remain constructive towards Asia's IT sector.

Chinese equities saw investor confidence briefly rekindled after the country's sovereign wealth fund started raising its stake in the country's big banks, with talks that China is mulling for a market stabilisation fund. Investors also cheered the approval of an additional 1 trillion yuan issue of China Government Bonds to fund infrastructure projects - a rare move that increases the central government's fiscal budget in the middle of the fiscal year to 3.8% from 3.0%. In the near term, all eyes will be on the China-US leaders meeting in San Francisco this mid-November. Investors will monitor whether the summit can thaw China-US tensions and if the two sides can clinch any trade pacts.

Also under close scrutiny is China's recovery trajectory. The country's property sector remained a sore spot. China's macro data showed budding signs of recovery in September, but recent data prints were mixed, with October exports coming in lower than expected while imports rose higher than forecasts.

Riding on the prospects of China's economy bottoming out, we expect Chinese Investment Grade Bonds to perform into year-end. For the rest of the year, our investment teams believe the new issuance of USD-denominated bonds could remain light, and the spread of overall Asian Investment Grade Bonds will stay range-bound with price action largely driven by US treasury movements. Our investment teams remain constructive towards certain Chinese Investment Grade Bonds, including tech, media and telecommunications (TMT) and asset management companies (AMC), but uphold our cautious stance towards Chinese property. Beyond China, we continue to favour South Korean financial and Indonesian quasi-sovereign Investment Grade Bonds.

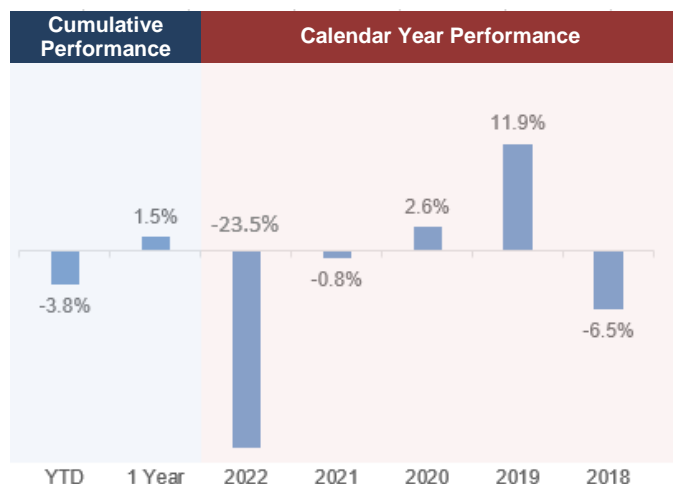
Investment Strategy

The fund favours information technology, with expectations that the tech cycle will bottom out soon. The emergence of the artificial intelligence theme as a new secular trend strongly supports this call. Opportunities of this sector can be found across various Asian markets, including South Korea and Taiwan.

We also remain constructive on energy shares, supported by improving energy prices on the back of an increasingly resilient global demand coupled with elevated geopolitical conflicts. Our investment teams have identified opportunities in Australian and Chinese equities, among others.

In terms of bonds, we remain constructive towards Investment Grade Bonds, including South Korean financials, Indonesian quasi-sovereign as well as Chinese TMT and AMC. As the latest Fed's tone hints at a higher chance of the end of the hiking cycle, we maintain a neutral duration strategy and may buy on dips if higher yield opportunities arise.

Fund Performance

 Performance¹ : 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 October 2023.

- Source: Lipper, as at 31 October 2023. 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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