

Important note:

1. BEA Union Investment Asian Strategic Bond Fund (the "Fund") seeks medium to long term capital growth and regular income by primarily (i.e. at least 70% of its net assets value) investing in debt securities that are (a) denominated in Asian currencies, or (b) issued or guaranteed by Asian governments or entities which are incorporated in Asia or have significant operations or assets in, or derive significant portion of revenue or profits from Asia, and denominated in USD or other currencies including Asian currencies.
2. The Fund is subject to general investment risk, Asian market concentration risk, emerging markets risk and currency risk.
3. The Fund invests in debt securities and are 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 Strategic Bond Fund ("ASB")★★★
Morningstar Overall Rating⁺**Opportunities seen in select Chinese Investment Grade Bonds on bottom out theme***Highlights:*

1. **US treasury movement to drive price action of Asian Investment Grade Bonds**
2. **Favour China's tech, media and telecommunications (TMT) as well as asset management companies (AMC) Investment Grade Bonds**
3. **Remain constructive on South Korean financials and Indonesian quasi-sovereign Investment Grade Bonds on strong fundamentals**

Fund Features

- The Fund aims to provide stable monthly income with capital appreciation through dynamic total return approach.
- Capture the full potential of Asia's growth with stability by prioritizing the portfolio with a majority of investment grade bonds.

Market Review & Outlook

In October, the 2-year and 10-year yields respectively surged to record highs of 5.2% and 5% on strong US economic data. But the tide turned sharply in early November, driven by short covering after a slew of weak economic data and the Fed's inclusion of Treasury's term premium into the decision whether to raise rates further. The Fed also hinted at a higher chance of ending the rate hiking cycle.

Fund Report (Nov 2023)

In the near term, we expect the US treasury movement will drive the price action of Asia's overall Investment Grade space, which could see credit spreads staying relatively stable until the end of the year. China's Investment Grade credits, apart from property, could remain stable on relatively attractive valuations and on the prospects of China's bottoming out theme. The Chinese authorities continued to ramp up its economic support in October. In a rare move, the central government raised the fiscal budget in the middle of the fiscal year to 3.8% from 3.0%, including the approval of issuing an additional 1 trillion yuan worth of China Government Bonds to support post-disaster reconstruction and other public spending. Investors are scrutinizing the state of China's economic recovery. Its September manufacturing PMI flirted above 50 for the first time since March. Service PMI and retail sales also improved. But October data prints were mixed, with China slipping back into deflation once again.

Beyond China, Asian Investment Grade Bonds will likely trade within range with the re-steepening trend being gradual and manageable. The economies of key Asian markets remain on strong footing. South Korea, for instance, recorded GDP (QoQ) growth of 0.6% in the July-September quarter, despite ongoing restrictive monetary policies from the central bank. A key South Korean semiconductor company reported weak but improving quarterly results, a sign that the chip industry may have bottomed out, albeit we see a slow recovery ahead.

While Indonesia's economy grew less than expected in the three months ending in September on softer household spending and shrinking exports, the country still registered a healthy annual growth of 4.94%. Indonesia plans to waive value-added-tax on property purchases to help stimulate the domestic economy. This would bode well for Indonesian High Yield property bonds.

China's property High Yield Bonds continued to come under pressure. Despite a number of cities having relaxed the down payment ratio and lowered mortgage rate floor, property buyer sentiment remained sluggish. We believe stronger stimulus policies could be required to achieve stability in the housing market.

In other High Yield spaces, Macau's gaming bonds would remain well supported on strong hotel bookings and robust recovery in the gaming industry, with October gross gaming revenue reaching 76% of 2019. Southeast Asian High Yield Bonds, such as India's renewable names, could continue to bode well, as early tendering of bonds helps boost market sentiment.

Investment Strategy

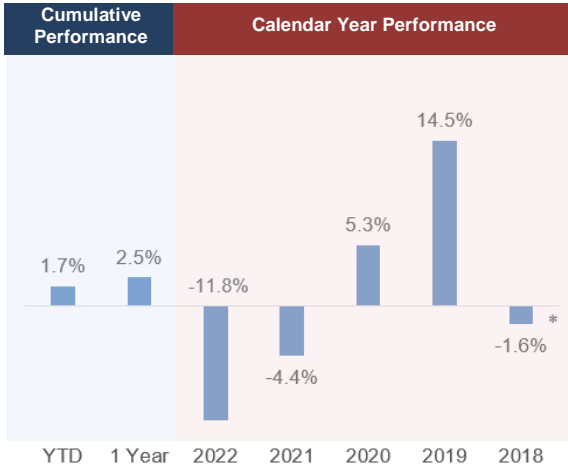
The Fund remains positive towards China's TMT and AMC Investment Grade Bonds on the country's bottoming out theme and attractive valuations. Our investment teams also favour South Korean financials and Indonesian quasi sovereign Investment Grade Bonds. The former remains resilient with solid technical despite a raft of new issues, while the latter continues to trade within ranges with the re-steepening trend still manageable.

In the High Yield space, the fund remained cautious towards China's property sector but stayed constructive on Macau's gaming, India's renewable, as well as Indonesia's property bonds on solid fundamentals.

Fund Report (Nov 2023)

Fund Performance

Performance¹ : A USD (Accumulating)



* Since launch till 31 December of the same year. A USD (Accumulating) launched on 24 February 2017.

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



Outstanding Achiever Asia Fixed Income⁴



REFINITIV LIPPER FUND AWARDS
2021 WINNER HONG KONG

Hong Kong Best Group Overall (3 Years)⁵



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<http://www.bea-union-investment.com/member-registration>

Fund Code

	ISIN	Bloomberg
A USD (Accumulating)	HK0000319381	BEABAU HK
A USD (Distributing)	HK0000319340	BEABAU HK
A HKD (Distributing)	HK0000319357	BEABA HK
A AUD Hedged (Distributing)	HK0000319365	BEAAA HK
A RMB Hedged (Distributing)	HK0000319373	BEAAR HK

Source of the fund information: BEA Union Investment Management Limited, as at 31 October 2023.

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1. Source: Lipper, as at 31 October 2023. The quoted NAV is for A USD (Accumulating) launched on 24 February 2017, performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
2. Source: The Asset, 2022 Research for Asian G3 Bonds, performance as at June 2022.
3. Source: The Asset, 2021 Research for Asian Local Currency Bonds, performance as at June 2021.
4. Source: BENCHMARK, performance as at June 2021.
5. Source: Lipper, performance as of 31 December 2020 for 2021 Hong Kong award.

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