

Important note:

1. BEA Union Investment Asia Pacific Flexi Allocation Fund (the “Fund”) seeks to achieve long-term capital growth and income by investing in equity securities or debt securities that are either traded in the Asia Pacific region or issued by companies incorporated in the Asia Pacific region or companies which have significant operations in or derive significant portion of revenue from the Asia Pacific region.
2. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
3. The Fund is subject to equity markets risk such as changes in investment sentiment, economic conditions and issuer-specific factors which may adversely affect the fund value.
4. The Fund invests in debts or fixed income securities are exposed to interest rates, credit/counterparty, downgrading, volatility and liquidity, valuation and sovereign debt and credit rating risks which may adversely affect the price of the debt securities.
5. The Fund may invest in below investment grade or non-rated debt securities which are subject to greater volatility and liquidity risks than higher-rated securities.
6. The Fund is exposed to concentration risk in Asia Pacific region and may be more volatile than in a more diverse portfolio of investment.
7. 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.
8. 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.
9. 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.
10. The Fund may acquire financial derivative instruments for hedging and investment purposes. Given the leverage effect embedded in financial derivative instruments, the Fund may be exposed to significant losses.
11. Investors should not make an investment decision based solely on this material.

★★★★

BEA Union Investment Asia Pacific Flexi Allocation Fund (“AFA”) Morningstar Overall Rating¹

Asian equities were up mainly led by tech sectors



Highlights:

1. Vaccine likely continues the economic recovery globally
2. China stock performance was polarized, big cap outperformed
3. Asia credit spread showed constructive tightening movement

Fund Features

- The Fund is an Asia Pacific equity-biased mixed-asset income fund, which invests in a prudent selection of blue-chip stocks to seek for alpha.
- The Fund employs flexible allocation in Asia Pacific bonds to enhance returns potential and diversify portfolio risks.

Market Review and Outlook

Equities

- Asian equities were up, led by North Asian markets on the back of strong semiconductor and internet outlook, good news flow globally on vaccine rollout and additional fiscal stimulus package proposed by the new U.S. administration.
- In terms of China equities, both onshore and offshore markets surged in January. Stock performance was fairly polarized, as big caps (mainly the growth cohort) gained notable traction while small and middle caps lagged behind.

- Markets continue to look toward the reopening of economies but remain volatile amidst geopolitical risks and trade negotiation.

Bonds

- In terms of Asian high yield bonds, market was affected by the sharp rise in treasury yield during the beginning of the month, which was in turn triggered by fear about tapering discussion from the Fed. Significant issuance on Chinese property names during the month. In addition to the negative credit events and onshore tightening, Chinese property bond underperformed. We remain optimistic on the overall market.
- In terms of investment grade bonds, Asia credit spread has showed constructive tightening movement on the back of supply coming short of expectation. We position overweight beta names, which can still see compression on the back of continuous normalization backdrop and limited new issue supply before Chinese New Year holiday.

Investment Strategy

Equities

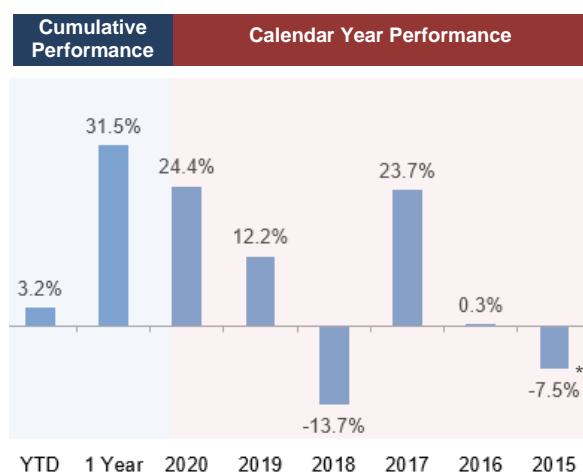
- The Fund has maintained preference for quality growth with continued overweight in Australia, and tactical overweight in China A-share and non-benchmark US exposure to barbell.
- We remain cautious and barbell the portfolios with high quality names exhibiting strong earnings visibility that will be supported by structural growth.

Bonds

- The Fund's duration continues to underweight. We overweight HK on resilient technical, Indonesia on lagging valuation and slightly underweight China on sanction fears.
- The Fund will position cautiously optimistic. The fund will focus more on credit selection and reduce names with high credit risk. And the cash level would stay low.

Fund Performance and Dividend

Performance² : A USD (Distributing)



Dividend

January 2021	Dividend per Unit	Annualized Dividend Yield ³
A USD (Distributing)	US\$ 0.027	2.9%
A HKD (Distributing)	HK\$ 0.270	2.9%
A AUD Hedged (Distributing)	AU\$ 0.023	2.9%
A RMB Hedged (Distributing)	RMB 0.470	6.2%
A NZD Hedged (Distributing)	NZD 0.024	2.9%

* Since launch till 31 December of the same year. A USD (Distributing) launched on 6 February 2015.

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)	HK0000224250	BEAPUA HK
A USD (Distributing)	HK0000224201	BEAPUI HK
A HKD (Distributing)	HK0000224219	BEPAHI HK
A AUD Hedged (Distributing)	HK0000224227	BEPAUH HK
A RMB Hedged (Distributing)	HK0000224235	BEAFARH HK
A NZD Hedged (Distributing)	HK0000224243	BEAPANH HK

Source of the fund information: BEA Union Investment Management Limited, as at 31 January 2021.

1. Source: ©2020 Morningstar. All Rights Reserved. Data as of 31 January 2021. The rating is for A USD (Distributing).
2. Source: Lipper, as at 31 January 2021. The quoted NAV is for A USD (Distributing) launched on 6 February 2015, performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
3. Annualised dividend yield = (dividend of January x 12) / last month end NAV x 100%. Please refer to the dividend notice available on website for dividend composition information and details. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. Such distribution may result in an immediate reduction of the net asset value per unit. Dividend only applies to distributing classes and is not guaranteed. Past dividend record is not indicative of future dividend likely to be achieved. Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on information contained above. You should read the relevant offering document (including the key facts statement) of the Fund for further details including the risk factors.

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 authorised by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorisation 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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