21 May 2021

BEA Union Investment

Fund Monthly Report

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")

Singapore REITs and Australia market look optimistic

Highlights:

1. **Rotated into Thai industrials on rising demand for dry bulk vessels**
2. **Australia market looks optimistic due to economic reopening**
3. **Prefer Singapore REITs with sufficient capital and potential M&A activities**

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

The U.S. long-term bond yield stabilized in April, risky assets adapted to the rising yield. In Chinese bond market, the debt crisis of the "bad debt bank" has not yet been eliminated, and market worries about more default events that drove down the bond performance. In terms of high-yield bonds, we increased the holdings of Thailand and Indonesia corporate and trimmed Chinese property.

In terms of equities, Asian markets had stable performance, with a cumulative growth at 2% since this year. Australian and Taiwan markets have been the outperformers. During the period, we sold Singapore Aviation for profit. And the Chinese ecommerce giants are being regulated for anti-trust law leading to short term pressure for the sector. We derisk the sector as a result. We rotated into Thai Industrial sector on rising demand for dry bulk vessels.

Market Outlook

Macro environment is being affected by a number of issues leading to relatively volatile markets. Rising commodity price would spike inflation expectation, bond yields will keep rising. As high yield bonds are less sensitive to interest rate movement they are more adaptable to the rising rate. We expect high yield will outperform the investment grade bonds.

China onshore bond market remained weak in short run, being affected by the potential default issue of particular companies. Asset management bonds are still under pressure. The monthly contracted sales data of Chinese property are good. The short-term performance remained fluctuate. Investors' attention shifted to other Asian markets like Thailand and Indonesia. The outlook of Australian market is optimistic. The economy reopening boosts domestic demand. High-quality companies are available in the financial, medical services, and industrial sectors. And Resources and Material sectors are benefited by high commodity price.

Taiwan technology and semiconductor industries benefited from tight industry supply, strong demand, and great profit growth. The large scale manufacturers are expanding their production which will boost the demand for the semiconductor equipment. China A-shares underperformed since this year, but the valuations look attractive after correction, which has greater chance of rising investment returns in the second half.

Investment Strategy

China A-shares outlook is positive in the second and we are prepared to increase their holdings. At the same time, we overweight tech and Internet stocks. Related stocks were corrected in recent months, and it is time to redeploy. Sector outlook is good in long term, but we keep a wait-and-see attitude towards the regulatory risks in the Group buying business. The Fund will opportunistically consider companies in the region with structural turnaround for capital gains or laggards to enhance returns.

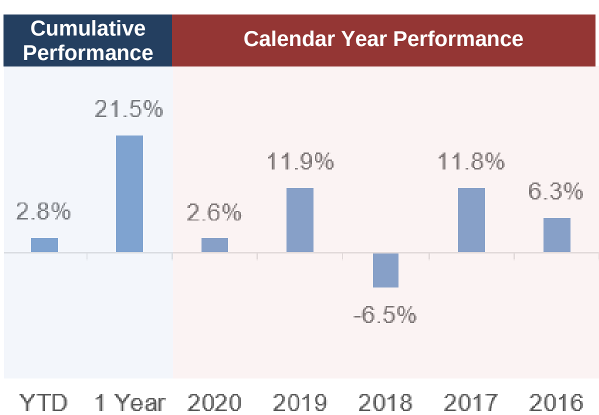
We overweight Taiwan's semiconductor and tech industries, and also look for high-quality leading companies in Australia's financial, industrial, and medical services for investment.

We preferred REITs in Singapore, especially those have sufficient capital or have just completed financing recently. They can carry out mergers and acquisitions to expand the scale of the production, and also benefit from the economy reopening, the rental income may increase in the future. Among the various types of REITs, those focusing on data centres, logistics and transportation properties will likely outperform.

We maintained a more cautious attitude for bond markets and lowered the beta of the portfolio and reduce the duration due to the rising yields. Our forecast of Chinese bond is neutral and we reduced our holdings of state-owned enterprise bonds. As the "bad debt bank" incident is yet to final, investors are getting cautious. In the short run, we are looking for opportunities to increase the holdings of corporate bonds like tech, and telecom and also looking for other Asian countries for investment opportunities.

Fund Performance

Performance[1]：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 30 April 2021.

1. Source: Lipper, as at 30 April 2021. 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.
2. Annualized dividend yield = (dividend of April x 12) / last month end NAV x 100%. Please refer to 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.