

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”)**

The Fund continues to lock in gains and rotates into tactical opportunities

*Highlights:*

1. **Added weights on Indian renewable high yield**
2. **Overweight Indonesian & Indian high yields supported by strong commodity prices**
3. **The Fund continues to lock in gains and rotate into tactical opportunities**

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 10 years treasury yield moved up to 1.56% level in October as the official tapering announcement approached. However, the U.S. economic figures were mixed with service PMI and retail sales stronger than expected while manufacturing PMI being weaker. As for China, its economy continued to face a slowdown with weaker than expected PMI and monetary growth. Exports continued to be relatively strong and retail sales got a slightly stronger than expected pick up. Indonesia and India names continue to outperform most of the Chinese property, industrial and Macau gaming bonds.

The Asian equity market slightly advanced in October led by Indonesia, Australia and Singapore due to the prospect of reopening and easing of international travels. In Indonesia, strong 3Q earnings release led to strong inflows into the equity markets. Australia equities outperformed on a broad-based, led by IT, Financials and Health Care sectors. Singapore market sees a rebound which was mainly supported by improved investor sentiment with higher than expected exports growth and rising private home prices.

Market Outlook

U.S. Fed has announced its intention to begin paring back its bond purchase, target to end in mid of next year. We expect U.S. treasury yield to back up post the tapering announcement and rate hike expectation. Fed reiterated there is no linkage between tapering and the rate to lift-off. We believe Fed is not urging a rate hike, and will take the real economic performance to consider if and when to start the hike.

For the investment grade (IG) bond market, due to the stretch valuation and the soft sentiments in the property sector, we are conservative and more selective in the new issue space and expect spread mainly range-bounded, price actions largely driven by U.S. treasury price movements.

For high yields, we continue to be cautious on long-end bonds and weak names due to the Chinese property's credit events and policy risk. We would expect mid-to-small sized developers with high leveraging and weak liquidity to face further risk. Commodity price is providing support to the oil and mining credits despite the minor corrections.

Investment Strategy

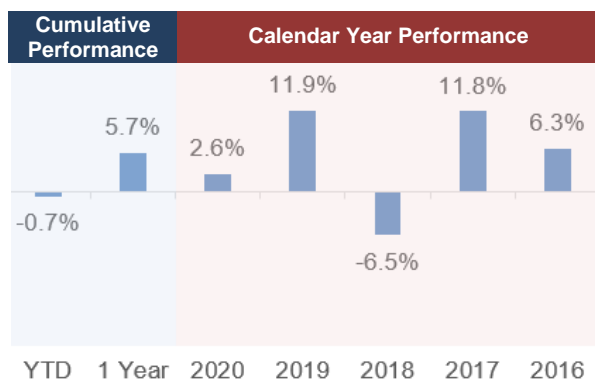
As for Asia equity market, the Fund continues to lock in gains and rotate into tactical return opportunities to seek alpha. We will maintain defensive stance but will opportunistically consider special events, companies with structural changes for capital gains, or laggards to enhance the overall portfolio return.

For Asian high yield market, the Fund materially reduced exposure to property names especially those higher beta ones with repayment risk. Resilient commodity prices continued to support India and Indonesia names which we overweight. Given the stable performance of the India renewable, the Fund accumulated more bonds in this sector. Solid financial service credits are also attractive in a volatile market where we will closely monitor.

Due to the soft market sentiment, we underweight the Fund's duration and underweight the long end across IG bonds. We continue to overweight Hong Kong IG on resilient technical. However, we turn to be more selective and more defensive even for higher quality IG names to avoid potential default cases.

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 2021.

1. Source: Lipper, as at 31 October 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.

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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