

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 Rating¹

Credit Spreads See More Volatilities



Highlights:

1. Credit Spreads see more volatilities
2. Market affected by the sharp rise in treasury yield due to surging commodity price
3. The Fund will position slightly cautious

Fund Features

- The Fund adopts flexible allocation in Asian investment grade / high yield bonds, diversifying into different Asian countries, sectors, and currencies.
- The Fund invests not more than 50% in Asian high yield bonds in general conditions.

Market Review and Outlook

Interest Rate Market

- In February, the U.S. Treasury yields continued to shoot up. The 10-year U.S. Treasury yield traded in a range between 1.08% and 1.4%. Yield curve has continued the steepening trend on normalization and more fiscal stimulus.

Asian Investment Grade Bonds

- Asia credit spread has showed constructive tightening movement in early February before treasuries started to shoot up. It likely sees more volatilities on the back of the U.S. treasuries weakness and swings.
- Korea and Hong Kong outperformed during the U.S. treasury weakness.

Asian High Yield Bonds

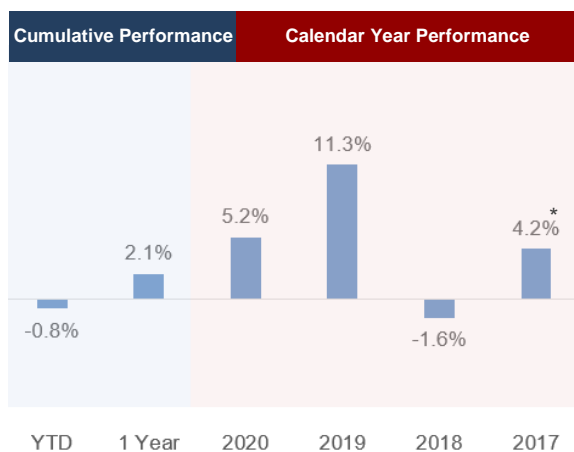
- Market continued to be affected by the sharp rise in treasury yield during the month due to surging commodity price and the higher inflation.
- Indonesia and India outperformed with funds switching in from Chinese property market.

Investment Strategy

- In terms of Asian investment grade bonds, the Fund's duration continues to underweight, overweight Hong Kong on resilient technical and China on valuation.
- The Fund will position slightly cautious, focusing on credit selection and reduce names with high credit risk amid an onshore tightening cycle.

Fund Performance and Dividend

Performance² : A USD (Distributing)



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

Dividend

February 2021	Dividend per Unit	Annualized Dividend Yield ³
A USD (Distributing)	US\$ 0.03950	4.8%
A HKD (Distributing)	HK\$ 0.39500	4.8%
A AUD Hedged (Distributing)	AU\$ 0.03700	4.7%
A RMB Hedged (Distributing)	RMB 0.57700	7.1%

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

Recent Award



Top Investment Houses in Asian G3
Bonds Rank 7 (Hong Kong)⁴



One of the Top Investment Houses
in Asian Local Currency Bonds
(Hong Kong)⁵

Fund Code

	ISIN	Bloomberg
A USD (Accumulating)	HK0000319381	BEABUA HK
A USD (Distributing)	HK0000319340	BEABAUD HK
A HKD (Distributing)	HK0000319357	BEABAHD HK
A AUD Hedged (Distributing)	HK0000319365	BEAAHD HK
A RMB Hedged (Distributing)	HK0000319373	BEARHD HK

Source of the fund information: BEA Union Investment Management Limited, as at 28 February 2021.

1. ©2020 Morningstar. All Rights Reserved. Data as of 28 February 2021. The rating is for A USD (Accumulating).
2. Source: Lipper, as at 28 February 2021. The quoted NAV is for A USD (Distributing) 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.
3. Annualized dividend yield = (dividend of February 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.
4. Source: The Asset, 2020 Research for Asian G3 Bonds, October 2020.
5. Source: The Asset, 2020 Research for Asian Local Currency Bonds, October 2020.

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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