

Important note:

1. BEA Union Investment Asian Bond and Currency Fund (the "Fund") seeks regular interest income, capital gains and currency appreciation from an actively managed portfolio of debt securities denominated in Asian or other currencies and primarily issued by Asian government or corporate entities.
2. The Fund invests in emerging markets, which are subject to higher liquidity and volatility risks.
3. The Fund may invest in lower-rated fixed income instruments, including below investment grade and non-rated debt securities, which are subject to greater credit and liquidity risks than higher-rated securities.
4. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. Investors should note that the 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 these currency hedged class units will be hedged at all times or that the manager will be successful in employing the hedge.
6. Investors may invest in RMB (Hedged) units. It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. There is also no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of investors' investments. There is no guarantee that the hedging strategy will be effective and investors may still be subject to the RMB currency exchange risk.
7. The Fund may enter into futures contracts and currency forward contracts for hedging and investment purposes. Given the leverage effect embedded in futures and currency forward contracts, the Fund may be exposed to significant losses.
8. Investors should not make an investment decision based solely on this material.

BEA Union Investment Asian Bond and Currency Fund ("ABC")

 ★★★★★
 Morningstar Overall Rating¹
The Fund Holds a Modestly Defensive Position

Highlights:

1. **More dovish signals from central banks support Asian local currency bonds**
2. **Chinese high yield property bonds remained largely stable in July**
3. **The Fund reduced higher beta names in India and Indonesia and will position modestly defensive**

Fund Features

- The Fund adopts unconstrained strategy, with maximum flexibility allowed in allocating assets among corporate bonds, government bonds, high yield bonds and investment grade bonds, actively hunting for alpha opportunities.
- Seeks stable dividends and exploits appreciation potential of Asian bonds.

Market Review and Outlook
Review of Interest Rate Market

- The U.S. Treasury yields continue to drop amid uncertain global backdrop. In July, the 10-year U.S. Treasury yield traded in a volatile range between 1.95% and 2.15% and closed at 2.01%.

Asian High Yield Bonds

- In July, overall market remained relatively flattish as investors were awaiting the meeting between the U.S. and China and also the U.S. Federal Reserve (Fed)'s rate cut decision.
- Chinese property names remained largely stable despite headlines on policy tightening; Chinese industrial names were hit by the weak sentiment in onshore bond market.
- Indonesian industrial bonds were underperformed due to the idiosyncratic risk on a textile company restructuring.

Asian Local Currency Bonds

- Asian local currency bond yields continued to go lower during the month along with more dovish signals from the central banks. The Bank of Korea and the Central Bank of Indonesia joined to cut interest rates in July.
- The currencies of export oriented countries such as Korean won and Singapore dollar were under pressure, both economies are being hit by the prolonged trade war. Nevertheless, the higher yielding currencies such as Indonesian rupiah, Indian rupee and Philippines peso remain resilient as investors look for better carry in a falling interest rate environment.

Market Outlook

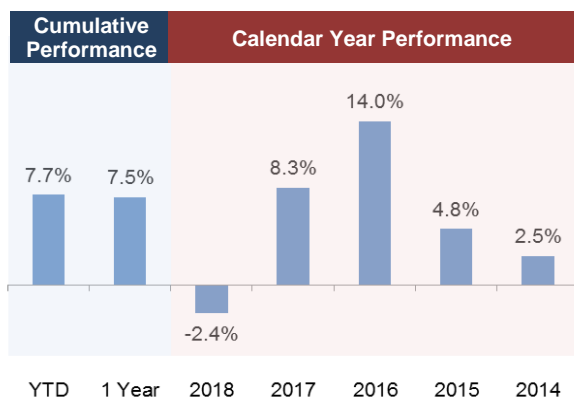
- We expect the U.S. Treasury yields will continue to stay at low level. The increasing willingness to implement easing policy by the central banks will continue to support Asian local bond markets.
- We expect more pressure on the currencies of export oriented countries due to the falling global trade volume. Meanwhile, the performance of higher yielding currencies will be subject to risk sentiment.

Investment Strategy

- The Fund selectively lengthened its duration to capture the benefit of spread tightening. It has reduced higher beta names in India and Indonesia.
- The Fund will position modestly defensive and maintains a moderately low level of higher beta and longer duration names in view of the tightening liquidity situation, restrictions on the Chinese property market, increasing tensions in the trade talk.
- At the same time, the Fund continues to look for opportunities to pick up names with attractive valuations across high yield and investment grade segments.

Fund Performance and Dividend

Performance² : A USD (Distributing)



Dividend

| July 2019 | Dividend per Unit | Annualised Dividend Yield ³ |
|-----------------------------|-------------------|--|
| A USD (Distributing) | US\$ 0.07298 | 6.3% |
| H HKD (Distributing) | HK\$ 0.05870 | 6.3% |
| A AUD Hedged (Distributing) | AU\$ 0.05078 | 6.1% |
| A RMB Hedged (Distributing) | RMB 0.60463 | 6.8% |

A USD (Distributing) launched on 28 August 2008.

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>

Recent Awards



One of the Top Investment Houses
in Asian G3 Bonds (Hong Kong)⁴



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



LIPPER FUND AWARDS
FROM REFINITIV
2019 WINNER
HONG KONG

Asia Pacific Bond,
Hard Currency
(3 Years & 5 Years)⁶



Best-In-Class,
Asia Pacific Fixed
Income Hard Currency⁷



Winner, Asian Bonds
(10 Years)⁸

Fund Code

| | ISIN | Bloomberg |
|-----------------------------|--------------|------------|
| A USD (Accumulating) | HK0000065208 | BEABCAA HK |
| A RMB Hedged (Accumulating) | HK0000272531 | BEARMHA HK |
| A EUR Hedged (Accumulating) | HK0000405735 | BEABCAE HK |
| I USD (Accumulating)* | HK0000081379 | BEABCIA HK |
| I HKD (Accumulating)* | HK0000484854 | BEABIHK HK |
| A USD (Distributing) | HK0000065216 | BEABCAI HK |
| H HKD (Distributing) | HK0000081361 | BEABCHD HK |
| A AUD Hedged (Distributing) | HK0000162856 | BEAAUHD HK |
| A RMB Hedged (Distributing) | HK0000194263 | BEARMHD HK |
| I HKD (Distributing)* | HK0000486685 | BEABIHA HK |

* For professional investor only

Source of the fund data: BEA Union Investment Management Limited, as at 31 July 2019.

- ©2019 Morningstar. All Rights Reserved. Data as of 31 July 2019. The rating is for A USD (Distributing).
- Source: Lipper, as at 31 July 2019. The quoted return is for A USD (Distributing) launched on 28 August 2008. Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
- Annualised dividend yield = (dividend of July x 12) / last month end NAV x 100%. 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.
- Source: The Asset, 2018 Research for Asian G3 Bonds, October 2018.
- Source: The Asset, 2018 Research for Asian Local Currency Bonds, June 2018.
- Source: From Refinitiv Lipper Awards, ©2019 Refinitiv. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this content without express written permission is prohibited. Performance for A USD (Acc) as at 31 December 2018.
- Source: BENCHMARK, November 2018.
- Source: Asia Asset Management, performance as at 28 September 2018.

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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