

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

Market Sentiment Improves Slightly



Highlights:

1. Market sentiment improves on the resumption of trade talks
2. The performance of Chinese high yield property bonds diverged
3. The Fund increased its allocation to Asian high yield bonds

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

- In September, the U.S. Treasury yields rebounded from the year-to-date low as market liquidity improved. The 10-year U.S. Treasury yield traded in a volatile range between 1.46% and 1.89% and closed at 1.66% at the end of the month.

Asian High Yield Bonds

- In September, overall market stabilized following the weakness seen in August. Investor sentiment was supported by rate cuts in a number of countries and the resumption of meetings between U.S. and Chinese officials.
- In terms of sectors, Chinese oil names outperformed as a result of oil price spike, while the remaining Chinese industrial sector was hit by idiosyncratic risk. The performance of Chinese property sector was diverged; the higher rated names outperformed the higher beta names due to positive rating actions.

Asian Local Currency Bonds

- Asian local currency bond yields went up mildly during the month amid the rebound of global yields and slight improvement in risk sentiment. The easing cycle of Asian central banks prevails, Indonesia and the Philippines cut their policy rates by another 25 basis points, and the People's Bank of China cut the RRR (Reserve Requirement Ratio) by 50 basis points in September.
- Asian currencies rebounded slightly against the U.S. dollar in September; Korean won and Taiwan dollar staged a small rebound on the back of positive trade war news.

Market Outlook

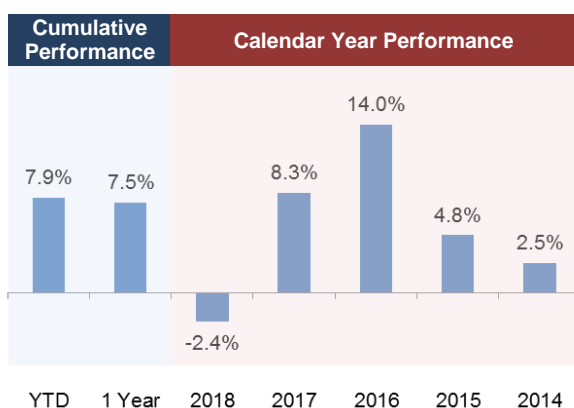
- The U.S. Treasury yields will continue to stay at low level as global easing cycle continues. The rising concerns on global growth will continue to drag Treasury yields lower.
- We expect the market to remain volatile with the development of trade talk, weakening trend of economic data, weakening onshore liquidity in China and idiosyncratic risk in Indonesia.
- The currencies of export oriented countries in Asia will remain under pressure as a result of shrinking global trade volume. We expect the performance of higher yielding currencies will be more subject to risk sentiment.

Investment Strategy

- The Fund selectively reduced its duration to take profit from yields compression in previous months. It has increased its allocation to high yield bonds.
- The Fund will position modestly defensive and maintains a slightly lower level of higher beta and longer duration bonds in view of the tightening onshore liquidity restrictions on the Chinese property market and evolving development of 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

September 2019	Dividend per Unit	Annualised Dividend Yield ³
A USD (Distributing)	US\$ 0.07224	6.3%
H HKD (Distributing)	HK\$ 0.05828	6.3%
A AUD Hedged (Distributing)	AU\$ 0.04799	5.8%
A RMB Hedged (Distributing)	RMB 0.57443	6.5%

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 30 September 2019.

- ©2019 Morningstar. All Rights Reserved. Data as of 30 September 2019. The rating is for A USD (Distributing).
- Source: Lipper, as at 30 September 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 September 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, 2019 Research for Asian G3 Bonds, October 2019.
- Source: The Asset, 2019 Research for Asian Local Currency Bonds, October 2019.
- 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.

Issuer: BEA Union Investment Management Limited