

**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 primarily investing in debt securities denominated in Asian or other currencies and primarily issued by Asian government or corporate entities.
2. The Fund is subject to general investment 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 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 Bond and Currency Fund ("ABC")

### Asian Bond Market Shows Signs of Stabilising


**Highlights:**

1. Asian bond market shows signs of stabilising
2. Chinese property names led the gains on the back of reviving property market
3. The Fund continues to look for laggards with good valuation

**Fund Features**

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

**Market Review and Outlook**
Interest Rate Market

- In April, the U.S. Treasury yields were mostly stable. The 10-year U.S. Treasury yield traded in a very narrow range between 0.57% and 0.77% and closed slightly up by 5 basis points at the end of the month. We expect the U.S. Treasury yields will remain at low levels due to the Federal Reserve's stance to maintain low interest rate.

Asian High Yield Bonds

- The COVID-19 pandemic shows signs of peaking in certain countries, prompted government officials to open the lockdowns and to reignite the economy. Global central banks continue their easing and stimulus programs to maintain economic and financial stability.

- In terms of sectors, Chinese property names led the gains in April on the back of the reviving property market, followed by the higher quality Indonesian and Indian names, both of which were oversold in March. Chinese industrial names continued to underperform the market as a result of idiosyncratic risk and more selling pressure.

#### Asian Local Currency Bonds

- The market stabilised in April given the COVID-19 pandemic easing. The massive fiscal and monetary stimulus in many Asian countries also managed to stabilise market sentiment.
- Despite some stabilisation in the market, sentiment remains fragile as economic impacts from the pandemic are still uncertain. Asian governments and central banks are expected to launch more measures to support the economy and the financial markets.

#### Market Outlook

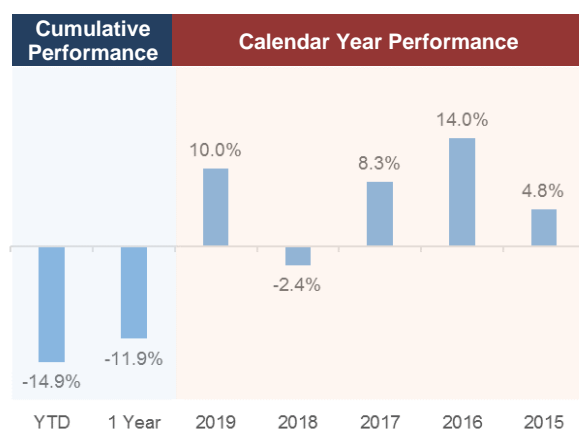
- The signs of stabilisation in the pandemic and gradual lifting of lockdowns in certain countries will support their economic recovery. Governments' policy easing and fiscal measures will allow ample liquidity in the markets. The tug of war between the U.S. and China could be the most significant swing factor amid the recovery of bond markets.
- The global oil demand recovery progress and confirmation of OPEC+ production cut agreement are the keys for oil price and its related credits.

### Investment Strategy

- We are cautiously optimistic towards Asian high yield bonds as economic activities gradually resume; ample liquidity returns to the market, and governments' policy remains supportive. We will maintain the liquidity level in the portfolio and continue to look for laggards with good valuations.
- The Fund has reduced the overall risk level and trimmed the weaker names. At the same time, the Fund has been diversified into investment grade bonds with new issue premium in the primary market.

### Fund Performance and Dividend

#### Performance<sup>1</sup> : A USD (Distributing)



#### Dividend

April 2020	Dividend per Unit	Annualised Dividend Yield <sup>2</sup>
A USD (Distributing)	US\$ 0.06710	7.3%
H HKD (Distributing)	HK\$ 0.05359	7.3%
A AUD Hedged (Distributing)	AU\$ 0.04471	6.8%
A RMB Hedged (Distributing)	RMB 0.56752	8.0%

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)<sup>3</sup>



One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)<sup>4</sup>



REFINITIV LIPPER FUND AWARDS  
2020 WINNER HONG KONG

Asia Pacific Bond, Hard Currency (5 Years)<sup>5</sup>



Gold Winner, Regional Bond<sup>6</sup>



Best-In-Class, Asia Pacific Fixed Income Hard Currency<sup>7</sup>

## 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)*	HK0000486685	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)*	HK0000484854	BEABIHA HK

\* For professional investor only

Source of the fund information: BEA Union Investment Management Limited, as at 30 April 2020.

- Source: Lipper, as at 30 April 2020. 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 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.
- 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, ©2020 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 2019.
- Source: Fund Selector Asia, January 2020.
- Source: BENCHMARK, November 2019.

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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