

## 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 debt 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")

### COVID-19 Vaccine Boosts Recovery Hope



#### Highlights:

1. Vaccine kickstarting supports the hope of recovery
2. Asian currencies strengthened against U.S. dollar
3. The fund positions optimistically on Asia high yields

#### 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 November, the U.S. Treasury yields were largely stable. The 10-year U.S. Treasury yield traded in a range between 0.76% and 0.96% and closed flat for the month. We expected the U.S. Treasury yields will trade upwards on the back of reflation expectation and normalization.

##### Asian High Yield Bonds

- With the confirmation of Biden's victory in the U.S. Presidential Election and the prospect of COVID-19 vaccine kickstarting has repeatedly boosting market risk sentiment.

- The increased amount of fund flows into Emerging market as further global economic recovery is setting its stage. Indonesia corporate and property names outperformed, driven by their attractive yield, improving commodities prices and good home sales.
- Chinese property and industrial names underperformed, despite having positive total returns, given the onshore default cases affected buyer sentiment.

#### Asian Local Currency Bonds

- The Asian local bond markets were trading mixed in November and reacted more on their respective central banks' stance.
- Asian currencies were trading up against the U.S. dollar. Indonesian Rupiah was the outperformers as improved market sentiment boosted inflow to higher yielding Indonesian bond market.

#### Market Outlook

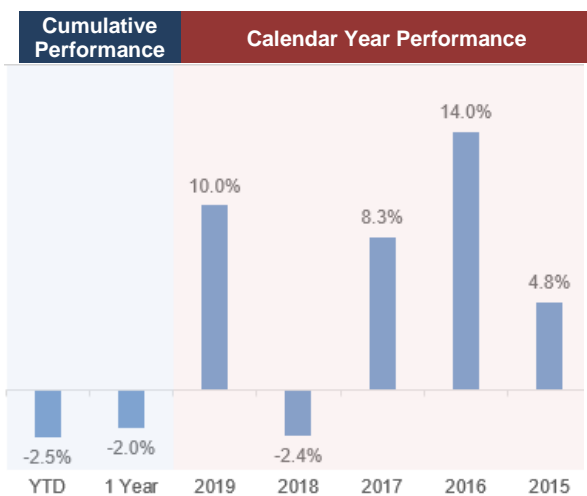
- Global economy is setting its stage to recover, funds are expected to chase into markets with higher return and reduced risk on default.
- Most of the Asian economies are recovering particularly China, Taiwan and Korea. Weakening US dollar drives inflow to emerging markets which benefit the Asian currencies.
- We are optimistic to Asia High Yield especially on Chinese properties, Indonesia and India commodity names which benefit from strong economic recovery.

#### Investment Strategy

- The Fund has been picking up bonds with new issue premium in the primary market on high yield and investment grade names.
- The Fund increased exposure to bonds with high beta and longer duration as global risk sentiment improves.
- The Fund increased allocation to Macau gaming sector.
- The Fund is looking for opportunities to add position on selective Asian currencies and local currency bonds.

#### Fund Performance and Dividend

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



Dividend

Nov 2020	Dividend per Unit	Annualized Dividend Yield <sup>2</sup>
A USD (Distributing)	US\$ 0.06953	6.8%
H HKD (Distributing)	HK\$ 0.05552	6.8%
A AUD Hedged (Distributing)	AU\$ 0.04961	6.8%
A RMB Hedged (Distributing)	RMB 0.71533	9.1%

A USD (Distributing) launched on 28 Aug 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



Top Investment Houses in Asian G3 Bonds Rank 7 (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 November 2020.

- Source: Lipper, as at 30 November 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.
- Annualized dividend yield = (dividend of November 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, 2020 Research for Asian G3 Bonds, October 2020.
- Source: The Asset, 2020 Research for Asian Local Currency Bonds, October 2020.
- 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 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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