

Important note:

1. BEA Union Investment Asian Corporate Target Maturity Fund 2023 (the "Fund"), on a best effort basis, seeks regular income from the close of the launch period up to the Fund's target maturity date ("Maturity Date") (being 23 May 2023) and seeks to return the capital of the Fund by investing primarily in Asian fixed income-related securities.
2. The duration of the Fund is limited (i.e. up to the Maturity Date) and will be terminated automatically at maturity. Neither the income nor the capital of the Fund is guaranteed at or before maturity. There are risks that the Fund may not make any distribution and investors may not recoup the original amount invested in the Fund during the investment period as well as at the Maturity Date.
3. Substantial realisations during the term of the Fund may adversely affect the value of the Fund causing the size of the Fund to shrink significantly and trigger the Fund to be early terminated. When the net realisation exceeds the predefined threshold as determined by the Manager from time to time, the Manager may downward adjust the realisation price of the Fund in an attempt to minimise the potential dilutive effects on the Fund's assets in which the investors may redeem at a lower realisation price.
4. The Fund may be subject to early termination risk. Upon the termination of the Fund, all the assets of the Fund will be realised and the net proceeds that are available for distribution will be distributed to relevant unitholder. Investors should note the amount distributed to them may be less than the amount of their initial investment.
5. The Fund investments may mature prior to the Maturity Date and the return of principal will need to be re-invested in shorter-dated securities or deposited as cash. This may result in low interest income and returns to the Fund.
6. The Fund invests in debt securities which are exposed to interest rates, credit/counterparty, downgrading, below investment grade and non-rated securities, volatility and liquidity, valuation, sovereign debt and credit rating risks.
7. The Fund is subject to general investment risks, Asian market concentration risk (which may have substantial exposure in China), emerging market risk, currency risk and money market investment risks.
8. 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. Please note that a positive distribution yield does not imply a positive return. However, there is no assurance on any distribution or the distribution rate or dividend yield of the Fund.
9. RMB is currently not freely convertible and is subject to foreign 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 RMB may adversely affect the value of investors' investment in the Fund.
10. The Fund may use 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.
11. Investors should not make an investment decision based solely on this material.

BEA Union Investment **Asian Corporate Target Maturity Fund 2023 ("ACT")**

Capitalise on Widening Yield Spreads of Asian Bonds



Highlights:

1. **Global low interest rates are here to stay, yield-hunting demand remains strong**
2. **Capitalise on widening yield spreads of Asian bonds**
3. **Continuous risk monitoring to avoid potential credit events**

Fund Features

- Remaining investment tenor of approximately 3 years. Aims to seek regular income and return capital at maturity.
- The Fund invests across a broad number of Asian bonds with an average credit rating at BBB-.

Asian Bond Market Outlook

Persistent Global Low Interest Rates Environment

- Since the COVID-19 pandemic hit the U.S., quantitative easing (QE) is quickly becoming a cornerstone of the Federal Reserve (Fed)'s policy toolkit. The QE programs have led to a Fed balance sheet of over US\$5 trillion. To maintain an adequate supply of liquidity in the financial markets, the Fed had cut the interest rate to near zero, and

launched easing programs such as unlimited purchases of U.S. government bonds and mortgage-backed securities (MBS) from government issuers, where all of these monetary policies were transmitted to the capital markets effectively.

- The European Central Bank (ECB) has decided on various expansionary monetary policy measures and launched new asset purchase programs, which help to limit the economic impact of the coronavirus pandemic. Asian central banks were also joining in injecting liquidity and in providing fiscal support to the markets. Given the persistent global low interest rates environment, yield-hunting demand from investors remains strong. We expect the Asian bond markets are set to benefit from the easing monetary policies.

Asian Bond Yields Becomes Attractive

- In March, Asian credit market experienced one of the most significant corrections in a single month since 2008. The yield spreads of both Asian investment grade and high yield bonds were widened to a 5-year high (see below charts).
- Widening yield spreads has created buying opportunities in bonds. The demand for Asian bonds remains strong, especially in the Chinese property sector, family offices and other private sectors are buying on dips. With the positive outlook in China towards the effective control of the pandemic, there is a gradual resumption of sales and construction activities of Chinese developers. Some Chinese developers made bond repurchase transactions in the secondary market, which shows a sign of good liquidity in the sector.

Asian Investment Grade Bonds



Source: Bloomberg, as of 31 March 2020

Asian High Yield Bonds



Source: Bloomberg, as of 31 March 2020

Continuous Risk Monitoring

- The Fund is diversified across a broad number of Asian bonds to lower risks. It has close to 58% in investment grade bonds and 42% in high yield bonds, with an average credit rating of BBB-.
- In the remaining investment tenor of approximately 3 years, investment managers will continue to conduct robust risk monitoring and adjust portfolio positions on a timely basis to avoid potential credit events, aiming to return the capital at maturity.

Summary Statistics and Dividend

Summary Statistics

Current Yield	6.5%
Average Credit Rating	BBB-
Investment Grade Bond Portion	57.7%
High Yield Bond Portion	42.3%

Dividend

March 2020	Dividend per Unit	Annualised Dividend Yield ¹
A USD (Distributing)	US\$ 0.034	4.0%
A HKD (Distributing)	HK\$ 0.340	4.0%
A RMB Hedged (Distributing)	RMB 0.400	4.7%

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 Award



One of the Top Investment Houses
in Asian G3 Bonds (Hong Kong)²



One of the Top Investment Houses
in Asian Local Currency Bonds
(Hong Kong)³

Highly Regarded Award-Winning Fixed Income Team

- The fixed income professionals of BEA Union Investment Management Limited have been recognised by the Asset as “One of the Astute Investors in Asian G3 Bonds (Hong Kong)²” and “One of the Astute Investors in Asian Local Currency Bonds (Hong Kong)³” in 2019.
- The company has been named “One of the Top Investment Houses in Asian G3 Bonds (Hong Kong)²” and “One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)³” in 2019 by the Asset.
- The Asian Bond and Currency asset class, managed by the same fixed income team, has won 43 fund awards⁴ since 2012.

Fund Code

	ISIN	Bloomberg
A USD (Distributing)	HK0000538451	BASCAUD HK
A HKD (Distributing)	HK0000538469	BASCAHD HK
A RMB Hedged (Distributing)	HK0000538477	BASCARH HK

Source of the fund information: BEA Union Investment Management Limited, as at 31 March 2020.

- Annualised dividend yield = (dividend of March 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.
- This asset class has won 43 fund awards since 2012. Organisations which have granted awards to this asset class include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, Fundsupermarket.com and Refinitiv Lipper.

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 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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