

**Important note:**

1. BEA Union Investment Asian Bond Target Maturity Fund 2022 (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 31 January 2022) and returns 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). 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. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
4. The Fund may invest in below investment grade or non-rated debt securities, which are subject to greater credit and liquidity risks than higher-rated debt securities.
5. 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.
6. 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.
7. RMB is currently not freely convertible and is subject to foreign exchange control policies of the Chinese government. 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 would adversely affect the value of investor’s investment in the Fund.
8. The Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose and may result in significant losses.
9. Investors should not make an investment decision based solely on this material.

## BEA Union Investment Asian Bond Target Maturity Fund 2022 (“ATM”)

### U.S. Market Interest Rates Continue to Trend Down


**Highlights:**

- 1. The USD 3-month LIBOR continued to trend down in the last quarter**
- 2. The credit spreads of Asian investment grade bonds tightened marginally**
- 3. Chinese high yield property names remained largely stable in July**

**Fund Features**

- Aims to provide 12 quarterly dividends  
(Dividend is not guaranteed and distributions may be paid out of income and/ or capital <sup>important note 5</sup>)
- Aims to provide dividends at an annualised rate of above USD 3-month LIBOR\*
- 3-year fixed investment tenor
- Diversified across a number of high-quality Asian bonds

**Market Review and Outlook**
Review of Interest Rate Market

- The USD 3-month LIBOR continued to trend down in the last quarter, it was around 2.27% at the end of July.
- At the end of July, the Federal Open Market Committee (FOMC) announced a cut to the Fed Funds Rate target by 25 basis points to 2.00%–2.25% as widely expected.

Asian Investment Grade Bonds

- In July, the credit spreads of Asian investment grade bonds tightened marginally. We expect the higher beta names will become more volatile following the escalation of trade war.
- The credit spreads of Asian bonds are approaching year-to-date tight levels. We expect volatility may magnify due to thinner liquidity in the market during summer holiday season.

### Asian High Yield Bonds

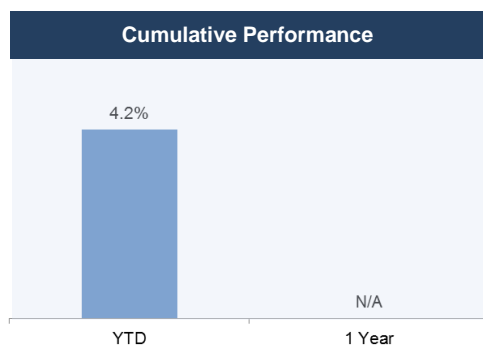
- In July, overall market remained relatively flattish as investors were awaiting the meeting between the U.S. and China and also the U.S. Federal Reserve (Fed)'s rate cut decision.
- Chinese property names remained largely stable despite headlines on policy tightening; Chinese industrial names were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

### Investment Strategy

- There was no major change to the Fund's portfolio in July. The Fund continues to hold its positions in Asian investment grade bonds and Asian high yield bonds.

### Fund Performance and Dividend

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



#### Dividend

For the quarter of May to July 2019	Dividend per Unit	Annualised Dividend Yield <sup>2</sup>
A USD (Distributing)	US\$ 0.10	3.9%
A HKD (Distributing)	HK\$ 1.00	3.9%
A RMB Hedged (Distributing)	RMB 1.13	4.4%

<sup>1</sup>A USD (Distributing) was launched on 18 January 2019.

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)<sup>3</sup>



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



House Award,  
Best-In-Class,  
Asia Fixed Income<sup>5</sup>

## 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)<sup>3</sup>” and “One of the Astute Investors in Asian Local Currency Bonds (Hong Kong)<sup>4</sup>” in 2018.
- The company has been named “One of the Top Investment Houses in Asian G3 Bonds (Hong Kong)<sup>3</sup>” and “One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)<sup>4</sup>” in 2018 by the Asset, and “Best Fund House in Asia Fixed Income<sup>5</sup>” by BENCHMARK in 2017.
- The Asian bond and currency asset class, managed by the same fixed income team, has won 39 fund awards<sup>6</sup> since 2012.

## Fund Code

	ISIN	Bloomberg
A USD (Distributing)	HK0000464047	BEABTAU HK
A HKD (Distributing)	HK0000464054	BEABTAH HK
A RMB Hedged (Distributing)	HK0000464062	BEABTAR HK

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

- \* The distribution per unit is calculated as follows: annualised rate of above average of daily USD 3-month LIBOR (for each three-month period ending on the last day of January, April, July and October) / distribution frequency over a year (i.e. 4 for quarterly distributions) x net asset value per unit on the last day of the corresponding previous three-month period
- Source: Lipper, as at 31 July 2019. The quoted NAV is for A USD (Distributing) launched on 18 January 2019, 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 for the quarter from May to July 2019 x 4) / last quarter end NAV x 100%. Last quarter end NAV = NAV per unit on the last day of the corresponding previous three-month period. 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: BENCHMARK, November 2017.
  - The fund has won 39 fund awards since 2012. Organisations which have granted awards to the fund include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, FundsUPERMART.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 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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