

Important note:

1. BEA Union Investment China High Yield Income Fund (the "Fund") seeks to achieve medium to long term capital growth and regular income by primarily (i.e. at least 70% of its net asset value) investing in high yield debt securities that are issued or guaranteed by entities which are incorporated in China or have significant operations in or assets in, or derive significant portion of revenue or profits from China.
2. The Fund is subject to general investment risk, China market concentration risk, emerging market risk and currency risk.
3. The Fund invests in debts securities are subject to risks in interest rates, credit/counterparty, downgrading, volatility and liquidity, valuation and sovereign debt and credit rating risks which may adversely affect the price of the debt securities.
4. The Fund may invest significantly in below investment grade or non-rated debt securities, including high yield bonds, which are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than higher rated securities.
5. 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.
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 the 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 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.
8. 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.
9. Investors should not make an investment decision based solely on this material.

BEA Union Investment **China High Yield Income Fund ("CHY")**

The Fund Added Names with Large Correction Recently


Highlights:

- 1. Strong recovery supports the future performance of Chinese high yield bonds**
- 2. Property names stabilized towards month-end**
- 3. The Fund added names with large correction recently**

Fund Features

- The Fund targets to generate additional return through dynamic trading.
- Managed by seasoned investment professionals to ensure selection of China high yield bonds.

Market Review and Outlook
Interest Rate Market

- In September, the U.S. Treasury yields were largely stable. The 10-year U.S. Treasury yield traded in a range between 0.63% and 0.72% and closed 2 bps lower for the month. We expected the U.S. Treasury yields will trade upwards on the back of inflation expectation and yield normalization.

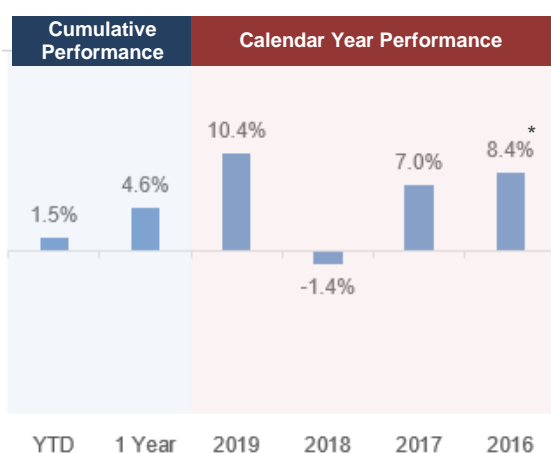
Chinese High Yield Bonds

- Asian bond market performed weakly during the month with fabricated letter from a market leading Chinese property developer triggered property sector correction. With the strong response and counterattack to the short sellers, the Chinese property bond market has been largely stabilized towards month-end.
- The resurgence of COVID-19 cases in September aroused the worries of lock down reimposed, which casted concern on oil demand recovery. Along with China repeatedly reduced its oil import due to its high inventory, oil retreated during the month.
- Fed continued to support the low interest rate environment and most importantly resilient and strongly recovering China economy will continue to support future performance on China high yield bonds.

Investment Strategy

- The Fund will be balanced in overall risk level while tactically add names with relatively large correction recently.
- The Fund will continue to adopt a more active switching and bond picking approach to capture solid laggards with bottoming out fundamentals and sectors supported by policy, while reducing names with high refinancing risk.

Fund Performance and Dividend

Performance¹ : A USD (Distributing)

Dividend

September 2020	Dividend per Unit	Annualized Dividend Yield ²
A USD (Distributing)	US\$ 0.06080	7.6%
A HKD (Distributing)	HK\$ 0.6080	7.6%
A AUD Hedged (Distributing)	AU\$ 0.05650	7.6%
A RMB Hedged (Distributing)	RMB 0.75500	9.6%

* Since launch till 31 December of the same year. A USD (Distributing) launched on 22 April 2016.

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)³



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

Highly Regarded Award-Winning Fixed Income Team

- The fixed income professionals of BEA Union Investment Management Limited have been recognized by the Asset as “One of the Astute Investors in Asian G3 Bonds (Hong Kong)³” and “One of the Astute Investors in Asian Local Currency Bonds (Hong Kong)⁴” in 2019.
- The company has been named “One of the Top Investment Houses in Asian G3 Bonds (Hong Kong)³” and “One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)⁴” in 2019 by the Asset.
- The Asian Bond and Currency asset class, managed by the same fixed income team, has won 43 fund awards⁵ since 2012.

Fund Code

	ISIN	Bloomberg
A USD (Distributing)	HK0000288032	BEACYAU HK
A HKD (Distributing)	HK0000288040	BEACYAH HK
A AUD Hedged (Distributing)	HK0000288057	BEACYAA HK
A RMB Hedged (Distributing)	HK0000288065	BEACYAR HK

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

- Source: Lipper, as at 30 September 2020. The quoted NAV is for A USD (Distributing) launched on 22 April 2016, 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 September 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.
- The asset class has won 43 fund awards since 2012. Organizations 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 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.

Issuer: BEA Union Investment Management Limited