

Important note:

1. BEA Union Investment Global Flexi Allocation Fund (the "Fund") seeks to achieve medium to long term capital growth and income through investing in a diversified portfolio consisting of global equity securities and/or debt securities in global markets.
2. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
3. The Fund invests directly in equities, REITs, ETFs and managed funds, and is thus subject to the risks generally associated with such asset classes, including but not limited to liquidity of the asset class, changes in investment sentiment, political environment, economic, business and social conditions in the global markets.
4. The Fund may invest in below investment grade or non-rated debt securities including high yield bonds, which are subject to greater credit and liquidity risks 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. 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. In terms of RMB classes of units, RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. There is also no assurance that the RMB will not be subject to devaluation. Investors may still be subject to the RMB currency exchange risk.
7. The Fund may enter into futures contracts for hedging and investment purposes. Given the leverage effect embedded in futures contracts, the Fund may be exposed to significant losses.
8. Investors should not make an investment decision based solely on this material.

BEA Union Investment **Global Flexi Allocation** Fund ("GFA")

Trade War Re-escalation Trigger Risk Aversion


Highlights:

1. Trade war re-escalation triggered risk aversion mood in global markets
2. Developed market equities and defensive sectors outperformed in May
3. The Fund slightly overweights duration of the global investment grade bond portfolio

Fund Features

- The Fund is a one-stop solution for global equity and bond investment.
- Prudent selection of stable, global large-cap equities with capital appreciation potential. Flexible allocation across Asian high yield bonds and global investment grade corporate bonds.

Market Review and Outlook
Bonds

- In terms of global investment grade bonds, market sentiment has weakened in May and we saw more selling pressure. The credit spreads had widened due to trade war headlines; therefore, we turned more neutral on valuations.
- In May, Asian high yield credit market weakened overall. Chinese high yield financial and Chinese high yield property sectors outperformed with a positive total return. The yield spreads for Chinese high yield industrial, Indonesian and Indian high yield bonds have certain widening.
- We expect the market will remain volatile due to the evolving progress of the U.S.-China trade talk, the weakening trend of the economic data in the U.S., as well as China's effort to calm down its active land market.

Equities

- In May, global equity markets were under pressure, the MSCI World Index dropped 6%. Market sentiment weakened as a result of the re-escalation of the U.S.-China trade war. Investor's risk aversion was reflected on the further decline of U.S. Treasury yields.
- Developed market equities outperformed emerging market equities, where defensive sectors such as utilities, consumer staples and REITs outperformed.
- Expansionary manufacturing figure and robust job data in the U.S. suggested that the country's economy remained solid, while PMI figures in the Eurozone continued to stay in contraction territory.

Investment Strategy

Bonds

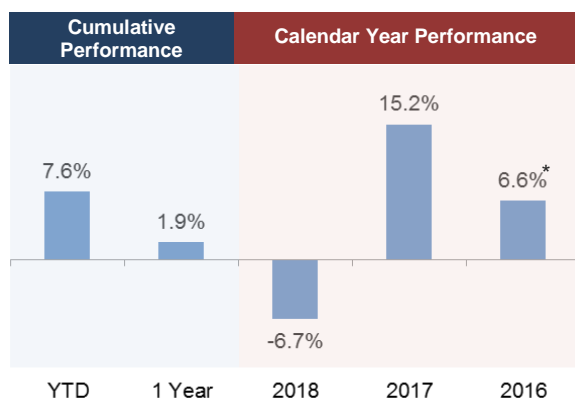
- In terms of bonds, the Fund slightly overweights duration of the global investment grade bond portfolio.
- We continue to overweight exposure in high yield bonds. At the same time, we will look to take profit opportunistically or reduce beta exposure in light of the trade war risk.

Equities

- There was no major change to the Fund's portfolio in May.
- The Fund has a neutral stance on regional allocation and systematically invests in companies with appealing growth and reasonable valuations in their industries.

Fund Performance and Dividend

Performance¹ : A USD (Distributing)



Dividend

| May 2019 | Dividend per Unit | Annualised Dividend Yield ² |
|----------------------|-------------------|--|
| A USD (Distributing) | US\$ 0.04400 | 4.9% |
| A HKD (Distributing) | HK\$ 0.44000 | 4.8% |

* Since launch till 31 December of the same year. A USD (Distributing) launched on 27 January 2016.

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 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>

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Fund Code

| | ISIN | Bloomberg |
|----------------------|--------------|------------|
| A USD (Distributing) | HK0000273588 | BUGFAUD HK |
| A HKD (Distributing) | HK0000273596 | BUGFAHD HK |

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

1. Source: Lipper, as at 31 May 2019. The quoted return is for A USD (Distributing) launched on 27 January 2016. Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
2. Annualised dividend yield = (dividend of May x 12) / last month end NAV x 100%. 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.

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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