

**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 in debts or fixed income securities are exposed to 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 is subject to equity markets risk such as changes in investment sentiment, economic conditions and issuer-specific factors which may adversely affect the fund value.
5. The Fund may invest in below investment grade and non-rated debt securities, which are subject to greater volatility and liquidity risks than higher-rated securities.
6. 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.
7. 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.
8. 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.
9. The Fund may acquire financial derivative instruments for hedging and investment purposes. Given the leverage effect embedded in financial derivative instruments, the Fund may be exposed to significant losses.
10. Investors should not make an investment decision based solely on this material.

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

### The Fund Adds Australian Investment Grade Bonds


**Highlights:**

- 1. U.S. equities ended flat despite an eventful January**
- 2. The Fund adds Australian investment grade bonds with good values**
- 3. Asian high yield bonds recover from recent correction**

**Fund Features**

- The Fund is a one-stop solution for global equity and bond investment.
- Prudent selection of relatively 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, higher beta names underperformed the market and their credit spread widening on the back of risk-off sentiment due to coronavirus outbreak. We expect credit spreads to continue range-bound and largely hinge on risk sentiment.
- The Asian high yield bond market started strongly at the beginning of January. However, coronavirus outbreak in the last week of the month triggered sell-off in the market, after which we saw bond prices recovered from the correction.
- Given the outbreak situation in the Mainland, the Chinese government has rolled out measures, including liquidity injection to the financial system and repo rate cut, and to support the more impacted companies.

### Equities

- The U.S. stock market ended flat despite an eventful January. The bullish sentiment has extended to the first half of the month as phase one trade deal was signed between the U.S. and China. The U.S.-Iraq conflict once triggered market jitters, but no further escalation occurred. The market retreated in late January due to the outbreak of coronavirus in China as investors concerned the impact on global economies and corporate profits.
- In January, European equities closed negatively with stock markets and currencies retreated from their recent strength. Brexit happened eventually, but there will be long negotiations of trade terms between the European Union and the U.K.
- Japanese stock market posted mildly negative returns in January. The manufacturing and inflation data had been weak but showing signs of stabilization. However, the coronavirus outbreak in China may potentially drag the economic recovery in Japan as China is its top export market.

### Investment Strategy

### Bonds

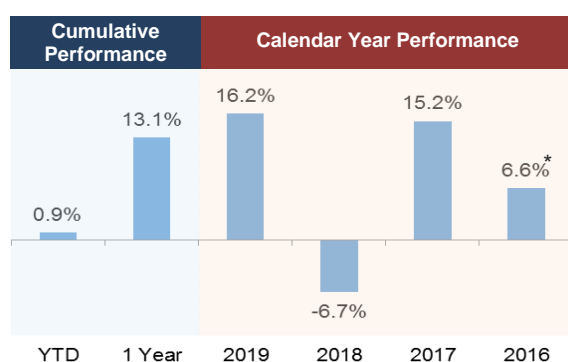
- In terms of global investment grade bonds, duration of the portfolio was tilted to a more neutral position. We added exposure in Australian names with good values.
- In terms of Asian high yield bonds, we will position constructively and maintains a balanced level of higher beta and longer duration bonds given the epidemic and policy measures to support the economy.

### Equities

- The Fund reduced its allocation in global equities. From a regional perspective, we maintain a neutral stance with slightly overweight in the U.S. market while underweight Japan. In terms of sectors, we overweight materials and technology, but underweight consumer discretionary and industrials.

### Fund Performance and Dividend

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



#### Dividend

January 2020	Dividend per Unit	Annualised Dividend Yield <sup>2</sup>
A USD (Distributing)	US\$ 0.04220	4.5%
A HKD (Distributing)	HK\$ 0.42300	4.5%

\* 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 information: BEA Union Investment Management Limited, as at 31 January 2020.

1. Source: Lipper, as at 31 January 2020. 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 January x 12) / last month end NAV x 100%. Please refer to the 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.

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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