

Important note:

1. BEA Union Investment RMB Core Bond Fund (the "Fund") seeks to achieve income and long-term capital growth by investing in debt securities and other assets that are denominated in RMB and other currencies.
2. The Fund invests in debts or fixed income securities are exposed to interest rates, credit/counterparty, downgrading, volatility and liquidity, valuation and sovereign debt, credit rating risks and credit rating agency risk (for mainland China onshore debt securities) risks which may adversely affect the price of the debt securities.
3. The Fund may invest in below investment grade, or rated BB+ or below by a China credit rating agency, or non-rated debt securities, which are subject to greater volatility and liquidity risks than higher-rated securities.
4. The Fund's investments are concentrated in China and may be subject to high concentration risk and more volatility than that of funds having a more diverse portfolio of investment. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the China market.
5. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
6. The Fund may be subject to the "Dim Sum" bond market risk and the risks associated with China interbank bond market, and the Fund is more susceptible to volatility and/or lower liquidity.
7. 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.
8. The Fund is subject to China tax risk and any increased tax liabilities on the Fund may adversely affect the Fund's value.
9. 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.
10. 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.
11. 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.
12. Investors should not make an investment decision based solely on this material.

BEA Union Investment RMB Core Bond Fund ("RCB")

★★★★
Morningstar Overall Rating¹

The Tone of the Chinese Central Bank Remains Dovish



Highlights:

1. In June, the renminbi strengthened against the U.S. dollar
2. The U.S.-China tension is the determining factor for the renminbi
3. The tone of the Chinese central bank remains dovish

Fund Features

- A RMB bond fund that aims to capture stable dividends.
- At least 70% invested in debt securities, bonds and deposits that are denominated or settled in RMB.
- Investment grade average credit rating.

Market Review and Outlook

- In June, the renminbi strengthened marginally against the U.S. dollar due to lesser concerns about the U.S.-China tension. The broad-based weakness of the U.S. dollar also helped the performance of renminbi.
- The yields of onshore and offshore Chinese government bonds went up as the central government inclined to launch more easing measures in a gradual manner and liquidity was getting tighter approaching the half-year end.

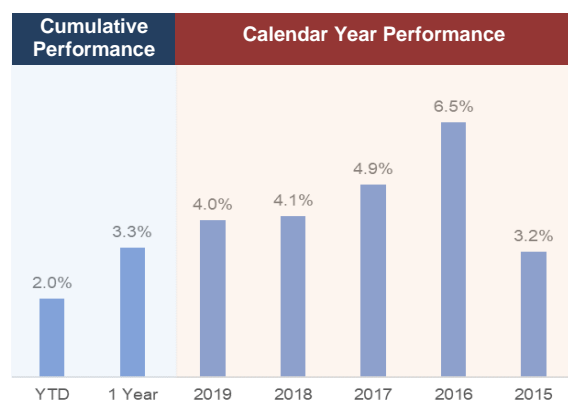
- The U.S.-China tension is likely to determine the direction of the renminbi. On the other hand, the easing bias of the central bank's policy shall limit the upside of the renminbi.
- We expect to see a slowdown of monetary easing by the Chinese central bank in the near term. Nevertheless, the policy tone remains dovish, and the renminbi bond market is expected to remain somewhat stable.

Investment Strategy

- The Fund has picked up a few investment grade renminbi bonds to enhance the carry. We continue to look for investment opportunities in offshore renminbi bonds.
- The Fund continues to invest into U.S. dollar denominated bonds through currency hedge.

Fund Performance and Dividend

Performance² : A RMB (Distributing)



Dividend

June 2020	Dividend per Unit	Annualised Dividend Yield ³
A HKD (Distributing)	HK\$ 0.32	4.7%
A RMB (Distributing)	RMB 0.37	4.5%
A USD (Distributing)	US\$ 0.032	4.7%

A RMB (Distributing) launched on 28 February 2014.

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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>

Recent Award



One of the Top Investment Houses
in Asian G3 Bonds (Hong Kong)⁴



One of the Top Investment Houses
in Asian Local Currency Bonds
(Hong Kong)⁵

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) ⁴” and “One of the Astute Investors in Asian Local Currency Bonds (Hong Kong)⁵” in 2019.
- The company has been named “One of the Top Investment Houses in Asian G3 Bonds (Hong Kong)⁴” and “One of the Top Investment Houses in Asian Local Currency Bonds (Hong Kong)⁵” in 2019 by the Asset.
- The Asian Bond and Currency asset class, managed by the same fixed income team, has won 43 fund awards⁶ since 2012.

Fund Code

	ISIN	Bloomberg
A HKD (Distributing)	HK0000176740	BEARCAH HK
A RMB (Distributing)	HK0000176732	BEARCAR HK
A USD (Distributing)	HK0000176757	BEARCAU HK

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

1. Source: ©2020 Morningstar. All Rights Reserved. Data as of 30 June 2020. The rating is for A RMB (Distributing).
2. Source: Lipper, as at 30 June 2020. The quoted NAV is for A RMB (Distributing) launched on 28 February 2014, performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
3. Annualised dividend yield = (dividend of June 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.
4. Source: The Asset, 2019 Research for Asian G3 Bonds, October 2019.
5. Source: The Asset, 2019 Research for Asian Local Currency Bonds, October 2019.
6. The asset class has won 43 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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