

BEA Union Investment

China High Yield Income Fund

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 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 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 principal and interest than higher rated securities.
3. The Fund's investments are concentrated in China. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
4. 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.
5. 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.
6. 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.
7. The Fund may use certain financial derivative instruments for hedging and investment purposes which may not achieve the intended purpose and may result in significant losses.
8. Investors should not make an investment decision based solely on this material.

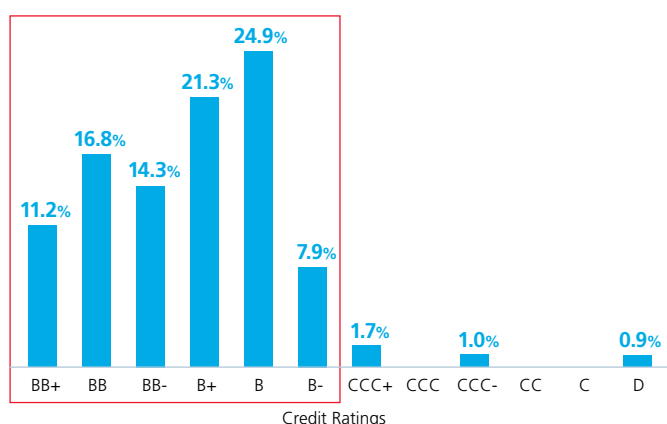
Targeting Stable Income and Additional Return from Selected China High Yield Bonds



Why Invest in China High Yield Bonds?

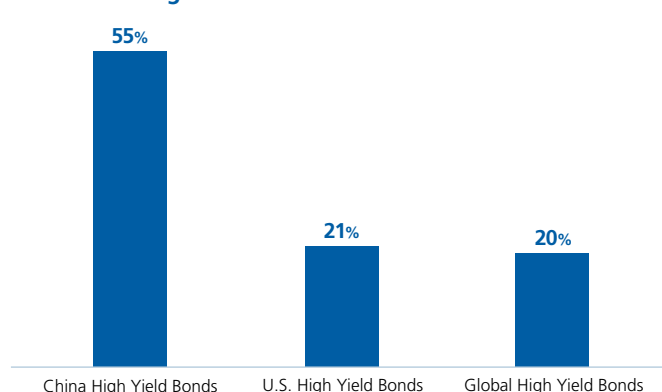
- China’s government has been trying to lower borrowing costs for corporates and encourage financial institutions to lend by introducing economy-stimulating measures such as cuts to the interest rate and required reserve ratio. We believe these measures will help improve the financial condition of corporates and provide support to Chinese corporate bonds, particularly property sector.
- The credit ratings of China high yield bonds are mainly in the highest bracket within the high yield category. Issuers of these bonds are generally in good financial condition.
- Over the past 5 years, China high yield bonds have recorded a positive cumulative performance of 55%, largely outperforming their U.S. and global counterparts.

Credit Ratings Allocation of China High Yield Bonds



Source: Bloomberg, as at 31 January 2016. Credit ratings are from S&P. Representative index of China high yield bonds is the Bank of America Merrill Lynch Asian Dollar High Yield Corporate China Issuers Index.

Performance Comparison of Various High Yield Bonds over the Past 5 Years



Source: Bloomberg, 28 February 2011 to 29 February 2016. Representative indices: China high yield bonds - Bank of America Merrill Lynch Asian Dollar High Yield Corporate China Issuers Index; U.S. high yield bonds - Bank of America Merrill Lynch U.S. High Yield Index; global high yield bonds - Bank of America Merrill Lynch Global High Yield Index

Benefits of Investing in a China High Yield Bond Fund

- 1 Monthly Distribution**
 Provides a stable cash flow and aims to provide a monthly dividend (dividend is not guaranteed and distributions may be paid out of income and / or capital*)
- 2 Risk Diversification**
 Comprises a basket of bonds and is diversified into different issuers, sectors, currencies, and tenors to lower risks
- 3 Professional Management**
 Actively managed by a team of experienced fixed income professionals. They enhance potential return by selecting bonds with attractive valuations and stable credit outlook, and balance risks by enforcing risk control.
- 4 High Liquidity**
 Trades more easily with daily NAV and dealing (on all Hong Kong business days)
- 5 Currency Choices**
 USD, HKD, RMB, AUD, helping avoid capital loss from foreign exchange and offering an effective alternative to forex time deposits

* Dividend only applies to distributing classes and is not guaranteed. The manager may at his/her 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. Please note that a positive distribution yield does not imply a positive return. Investors should not make any investment decision solely based on the 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.

Why Invest in the BEA Union Investment China High Yield Income Fund?

► Highly Regarded Award-Winning Fixed Income Team

- BEA Union Investment Management Limited has been named “One of the Top Investment Houses in Asian G3 and Local Currency Bonds¹” by The Asset, and “Best Fund House in Asia Fixed Income²” by BENCHMARK in 2015.
- Its fixed income professionals have been recognised as “Astute Investors in Asian G3 and Local Currency Bonds¹” by The Asset in 2015.
- The Asian Bond and Currency Fund, managed by the same fixed income team, has won 19 fund awards³ since 2013.

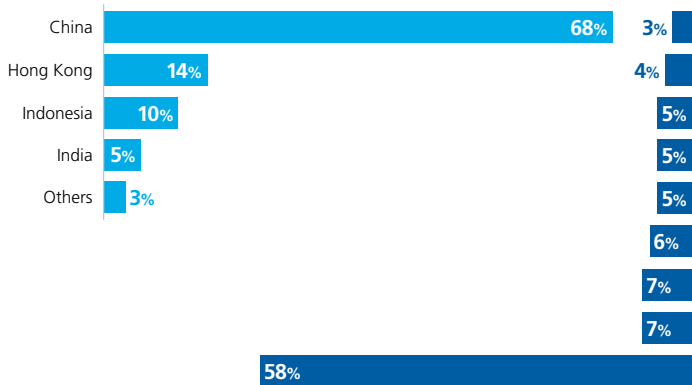


► 360° Investment Process

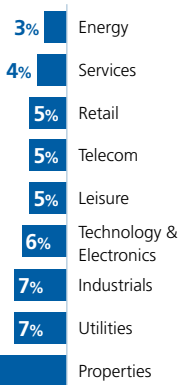
- Integrates comprehensive macro analysis and proprietary credit research, plus effective risk control, to identify undervalued but quality China high yield bonds
- Focuses on investment in high yield bonds whose yields are in the range of 6-10%, and which have ratings of B or BB. Such issuers are generally in good financial condition and their bonds can provide stable income.



► Expected Geographical Allocation⁴



► Expected Sector Allocation⁴



► Summary Statistics⁴

Expected yield	7.7%
Expected average credit rating	BB-
Expected duration	2.41 years

► Expected Holdings⁴

The Fund will invest in around 50 China high yield bonds, of which most are leading large-cap corporates.

Issuer / Guarantor	Maturity	Currency	S&P Rating	Yield-to-Maturity
Melco Crown Entertainment	2020	USD	B	8.3%
Yuzhou Properties	2019	USD	B	6.7%
KWG Property	2019	USD	B+	6.0%
Car	2020	USD	BB+	5.3%
Stats Chippac	2020	USD	BB-	9.1%

1. Source: The Asset, 2015 Research for Asian G3 Bonds, November 2015; 2015 Research for Asian Local Currency Bonds, June 2015

2. Source: BENCHMARK, November 2015

3. The fund has won 19 fund awards since 2013. Organisations which have granted awards to the fund include Asia Asset Management, Asian Investor, BENCHMARK, Fund Selector Asia, Fundsupermart.com and Lipper.

4. Source: BEA Union Investment Management Limited, as at 30 March 2016. The expected geographical allocation, sector allocation, summary statistics and holdings are for illustrative purposes only. Actual allocations may differ. Source of yield-to-maturity: Bloomberg, as at 30 March 2016.

Fund Features

- Diversified among 50 China high yield bonds
- Selects quality China high yield bonds to provide stable income and additional return
- Aims to provide a monthly dividend (dividend is not guaranteed and distributions may be paid out of income and / or capital*)
- Managed by an experienced and highly regarded award-winning fixed income team
- Multi currencies available (USD, HKD, RMB, and AUD)

Fund Details

Unit Class	A USD (Distributing)	A HKD (Distributing)	A RMB (Hedged) (Distributing)	A AUD (Hedged) (Distributing)
Launch Date	22 April 2016			
Issue Price	US\$10	HK\$100	RMB100	AUD10
Minimum Investment Amount	US\$2,000	HK\$10,000	US\$2,000 or equivalent	US\$2,000 or equivalent
Dividend Frequency	Monthly (aims to provide a monthly dividend; dividend is not guaranteed and distributions may be paid out of income and / or capital*)			
Record Date [^]	14th day of every month			
Ex-Dividend Date	One business day after Record Date			
Expected First Dividend Distribution	14 July 2016			
ISIN	HK0000288032	HK0000288040	HK0000288065	HK0000288057
Bloomberg	BEACYAU HK	BEACYAH HK	BEACYAR HK	BEACYAA HK
Base Currency	USD			
Management Fee	1.20% p.a.			
Preliminary Charge	Up to 5.00%			
Realisation Charge	Currently waived			
Dealing Frequency	Daily (Hong Kong business days)			

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[^] If the 14th is not a business day in any particular month, the record date will be the immediately preceding business day.

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 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 has not been reviewed by the SFC in Hong Kong. Issuer: BEA Union Investment Management Limited

