

Important note:

1. BEA Union Investment Asian Bond and Currency Fund (the "Fund") seeks regular interest income, capital gains and currency appreciation from an actively managed portfolio of debt securities denominated in Asian or other currencies and primarily issued by Asian government or corporate entities.
2. The Fund invests in emerging markets, which are subject to higher liquidity and volatility risks.
3. The Fund may invest in lower-rated fixed income instruments, including below investment grade and non-rated debt securities, which are subject to greater credit and liquidity risks than higher-rated securities.
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. Investors may invest in RMB (Hedged) units. It should be noted that the 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. Any devaluation of the RMB could adversely affect the value of investors' investments. There is no guarantee that the hedging strategy will be effective and investors may still be subject to the RMB currency exchange risk.
7. The Fund may enter into futures contracts and currency forward contracts for hedging and investment purposes. Given the leverage effect embedded in futures and currency forward 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 **Asian Bond and Currency Fund**

《**Good Results Boost Performance
of Chinese High Yield Bonds**》

20 November 2017

★★★★★
Morningstar Overall Rating¹

Recent Awards



Asian Fixed Income Fund²



WINNER OF THE 2017
THOMSON REUTERS
LIPPER FUND AWARDS
HONG KONG

**Best Bond Fund,
Asia Pacific, Local
Currency (3 & 5 years)³**



**Platinum,
Regional Bond⁴**



**Best-In-Class,
Asia High Yield Bond⁵**



**Winner of Asian Bonds
(3 years)⁶**



Highlights:

- **The Fund has risen 8.0%⁷ YTD and 7.4%⁷ in 1 year**
- **Chinese high yield property bonds outperform after good sales results**
- **Reduction of some Indonesian property bonds with weaker credit quality**

Q1: How has the BEA Union Investment Asian Bond and Currency Fund (the "Fund") been performing year-to-date?

A1: This award-winning⁸ Fund continues to perform well, having achieved 8.0%⁷ growth year-to-date and 7.4%⁷ growth over 1 year.

U.S. treasury yields remained range bound in the last month, with a small uptick to 2.4% due to the expectation that the next Federal Reserve chairman will continue a policy of monetary tightening and that a tax reform bill will pass into law. Despite the rising yield environment, Asian credits posted another month of strong growth overall, with high yield bonds continuing to perform well.

Fund Performance	YTD	1 Year
A USD (Distributing)	8.0% ⁷	7.4% ⁷

Q2 : What were the Fund's annualised dividend yields in October?

A2: In October, the annualised dividend yield for A USD (Distributing) and H HKD (Distributing) was 5.5%⁹; A RMB Hedged (Distributing) was at 8.0%⁹.

In the past year, **the Fund has achieved more than 7%⁷ growth and maintained a 5.5%⁹ annualised dividend yield (A USD (Distributing)), providing stable capital appreciation and dividend income for investors.**

BEA Union Investment seeks to distribute the dividend from net distributable income. Net distributable income means interest income net of fees and expenses, and net realised gains. **In the past 12 months, the dividends of the Fund were 100% distributed from net distributable income in most of the time.**

October 2017	Dividend per Unit	Annualised Dividend Yield ⁹
A USD (Distributing)	US\$ 0.06632	5.5%
H HKD (Distributing)	HK\$ 0.05335	5.5%
A AUD Hedged (Distributing)	AU\$ 0.06335	7.0%
A RMB Hedged (Distributing)	RMB 0.75407	8.0%

Q3: What has the Fund's strategy been recently in relation to the performance of Asian high yield bonds?

A3: As at 31 October 2017, nearly 90% of the Fund's investment is in Asian high yield bonds. **Asian high yield bond sector has been performing well year-to-date, and our outlook for high yield bonds is still positive.**

Chinese high yield bonds performed well in October and outperformed other Asian high yield bonds, especially property bonds due to the strong results posted by Chinese developers. **The Fund continued to add high yield exposure in the energy and commodity sectors as well as in the Chinese consumer and retail sectors** following good quarterly results by issuers. Meanwhile, the Fund trimmed some Indonesian property bonds with weaker credit quality in response to low contract sales in that sector.

Q4: What is the fund manager's outlook for Asian currencies?

A4: The momentum of Asian local bond markets has softened for two consecutive months, following the trend of local currencies weakening while the U.S. dollar strengthens and local bond yields rise. Indonesian local bonds corrected in October while Indian local bonds outperformed due to the appreciation of the Indian rupee.

The Fund reduced its position in Indonesian local currency bonds, while the **Chinese onshore and offshore bond markets remained our top picks in the local currencies bond market.**

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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 (Accumulating)	HK0000065208	BEABCAA HK
A USD (Distributing)	HK0000065216	BEABCAI HK
H HKD (Distributing)	HK0000081361	BEABCHD HK
A AUD Hedged (Distributing)	HK0000162856	BEAAUHD HK
A RMB Hedged (Distributing)	HK0000194263	BEARMHD HK

Source of the fund data: BEA Union Investment Management Limited, as at 31 October 2017.

1. Source: ©2017 Morningstar. All Rights Reserved. Data as of 31 October 2017. The rating is for A USD (Distributing).
2. Source: Fundsupermart.com, performance for A USD (Accumulating) as at 31 March 2017.
3. Source: Lipper, performance for A USD (Accumulating) as at 31 December 2016. Award logo from Thomson Reuters Lipper Awards, ©2017 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited.
4. Source: Fund Selector Asia, performance as at 30 June 2016.
5. Source: BENCHMARK, performance for A USD (Accumulating) as at 30 September 2016.
6. Source: Asia Asset Management, performance as at 30 September 2015.
7. Source: Lipper, as at 31 October 2017. The quoted return is for A USD (Distributing), performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested. Past performance for A USD (Distributing): YTD: 8.0%, 2016: 14.0%, 2015: 4.8%, 2014: 2.5%, 2013: 5.5%, 2012: 24.7%. A USD (Distributing) was launched on 28 August 2008.
8. The Fund has won 25 fund awards since 2012. Organisations which have granted awards to the Fund include Asia Asset Management, AsianInvestor, BENCHMARK, Fund Selector Asia, Fundsupermart.com and Lipper.
9. Annualised dividend yield = (dividend of October 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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