

Important note:

1. BEA Union Investment Asia Pacific Flexi Allocation Fund (the “Fund”) seeks to achieve long-term capital growth and income by investing in equity securities or debt securities that are either traded in the Asia Pacific region or issued by companies incorporated in the Asia Pacific region or companies which have significant operations in or derive significant portion of revenue from the Asia Pacific region.
2. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
3. The Fund invests directly in REITs, equities, 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 Asia Pacific region.
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.
7. 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.
8. 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.
9. Investors should not make an investment decision based solely on this material.

BEA Union Investment Asia Pacific Flexi Allocation Fund (“AFA”) ★★★
Morningstar Overall Rating¹
Chinese Corporate Earnings Broadly Meet Expectations in First Half of 2018

Highlights:

- 1. 1H 2018 Chinese corporate earnings broadly in line with market expectations**
- 2. Leadership change in Australia adds to economic uncertainty**
- 3. The Fund tactically adds some quality defensive stocks during market correction**

Fund Features

- The Fund is an Asia Pacific equity-biased mixed-asset income fund, which invests in a prudent selection of blue-chip stocks with stable earnings and dividend growth potential.
- The Fund captures Asia Pacific blue chips’ appreciation potential using a strategy of lower volatility, it employs flexible allocation in Asia Pacific bonds to enhance returns and diversify portfolio risks.

Market Review and Outlook
Equities

- Chinese equities were under pressure in August as U.S.-China trade tensions continued to cloud the market. Corporate earnings for the first half of 2018 were broadly in line with market expectations.
- The Australian market underperformed in August, weighed down by the energy and materials sectors. The country’s recent leadership change has added uncertainty to its economic outlook.
- Taiwan’s equity market rose slightly in August as a result of positive investor sentiment towards the semiconductor industry and Apple’s supply chain.

Bonds

- Asian investment grade bonds with higher rated names outperformed, driven by risk-off market sentiment.
- Asian high yield bond markets experienced a correction in August. Indonesian properties underperformed due to the weakening Indonesian rupiah and the country's reliance on U.S. dollar debt.

Investment Strategy

Equities

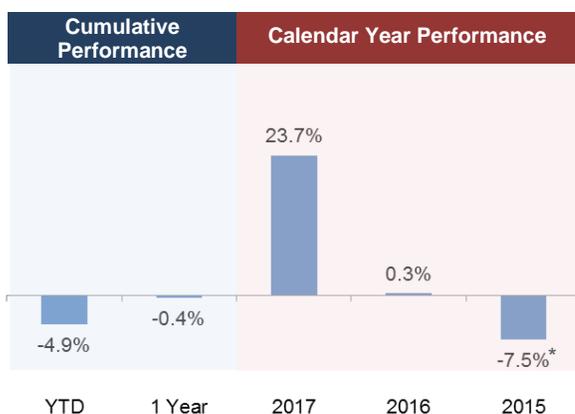
- The Fund continues to hold cautious stance amid continued market volatility. We have reduced our positions in China, Taiwan and Singapore, while increasing cash holdings.
- We will be tactically adding some quality defensive stocks during market corrections, e.g. selected ASEAN companies with selected themes such as strong fundamentals. These will be firms that are set to benefit from rising interest rates, a positive energy sector outlook, recovery in domestic consumption, and/or cyclical plays.

Bonds

- The Fund continues to maintain a bond weighting of between 20% and 30%. Exposure in Asian high yield bonds has been reduced given the risk-off sentiment and market volatility.
- In terms of duration, we have kept to our slightly underweight positions in view of interest rate risk.

Fund Performance and Dividend

Performance² : A USD (Distributing)



Dividend

August 2018	Dividend per Unit	Annualised Dividend Yield ³
A USD (Distributing)	US\$ 0.035	4.4%
A HKD (Distributing)	HK\$ 0.350	4.3%
A AUD Hedged (Distributing)	AU\$ 0.044	6.0%
A RMB Hedged (Distributing)	RMB 0.520	6.4%
A NZD Hedged (Distributing)	NZD0.044	5.9%

Throughout most of the time since launch, 100% of the Fund's dividends came from net distributable income.

* Since launch till 31 December of the same year. A USD (Distributing) launched on 6 February 2015.

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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)	HK0000224250	BEAPAU HK
A USD (Distributing)	HK0000224201	BEAPAU HK
A HKD (Distributing)	HK0000224219	BEAPAH HK
A AUD Hedged (Distributing)	HK0000224227	BEAPAU HK
A RMB Hedged (Distributing)	HK0000224235	BEAFAR HK
A NZD Hedged (Distributing)	HK0000224243	BEAPAN HK

Source of the fund data: BEA Union Investment Management Limited, as at 31 August 2018.

1. Source: ©2018 Morningstar. All Rights Reserved. Data as of 31 August 2018. The rating is for A USD (Distributing).
2. Source: Lipper, as at 31 August 2018. The quoted NAV is for A USD (Distributing) launched on 6 February 2015, 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 August 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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