

- BEA Union Investment Asia Pacific Multi Income Fund (the “Fund”) seeks to achieve income and long-term capital growth by investing in an actively managed portfolio of debt securities, listed REITs, and other listed securities in the Asia Pacific region.
- The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
- The Fund invests directly in listed REITs, equities 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 local and global marketplace.
- 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.
- 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.
- 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.
- 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.
- 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.
- Investors should not make an investment decision based solely on this material.

BEA Union Investment **Asia Pacific Multi Income Fund**

《Asian Equities and Bonds Look Promising
Amid Solid Corporate Fundamentals》

★★★★

Morningstar Overall Rating¹

20 October 2017



Highlights:

- The Fund has achieved **8.8%² YTD** and **5.2%² in 1 year**
- **Continuing to add exposure in high yield bonds**
- **Increased exposure in Australian banking sector and Hong Kong REITs to enhance potential return and dividend yield**

Q1: How has the BEA Union Investment Asia Pacific Multi Income Fund (“the Fund”) performed recently? What were the latest annualised dividend yields?

A1: Asian equity and bond markets are performing well in general this year, with the Fund achieving a positive return of **8.8%² year-to-date; 5.2%² in 1 year, and 49.0%² since its launch in May 2012.**

Fund Performance	YTD	1 Year	Since Launch
A USD (Distributing)	8.8% ²	5.2% ²	49.0% ²

Meanwhile, September’s annualised dividend yield was 6.0%³ for A USD (Distributing) and A HKD (Distributing); that of A RMB Hedged (Distributing) was at 8.3%³. The Fund **can provide investors with a stable dividend income and capital appreciation.**

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.

Throughout most of the past 12 months, the dividends of the Fund were 100% distributed from net distributable income.

September 2017	Dividend per Unit	Annualised Dividend Yield ³
A USD (Distributing)	US\$ 0.05500	6.0%
A HKD (Distributing)	HK\$ 0.55000	6.0%
A AUD Hedged (Distributing)	AU\$ 0.06100	7.9%
A RMB Hedged (Distributing)	RMB 0.68000	8.3%
A NZD Hedged (Distributing)	NZD 0.06400	8.2%

Q2 : What is the fund manager's view of the Asian bond markets?

A2: U.S. treasury yields jumped by 30 basis points in September due to the unwinding of quantitative easing and balance sheet reduction by the Federal Reserve (Fed). However, overall the Asian high yield bond market was unaffected by the Fed's latest decision and continued to perform well. Indonesian high yield corporate bonds outperformed, especially in the commodities sector, supported by the rebound of commodity prices and corporates' strong quarterly results.

Despite geopolitical conflicts in the region remaining a risk in recent years, we expect investors will continue to look beyond the near-term uncertainties and focus on the fundamental driving forces for long-term superior performance. **Lower default rates for Asian corporates as compared to their global peers, coupled with higher bond yields, continue to act as a draw for global investors searching for satisfactory return.**

Q3: What is the fund manager's outlook for Asian equity markets?

A3: Chinese shares rose again in September, their ninth consecutive month of gains year-to-date. In order to boost lending to under-served areas of the economy such as agriculture and SMEs, the People's Bank of China (PBOC) has announced targeted cuts to its reserve requirement ratio (RRR), which will take effect next year. The PBOC stressed that this was a structural adjustment and not a shift towards looser monetary policy. The lower RRR requirement will help to boost banks' earnings and was taken very positively by the market. While industrial production slowed in September due to environmental protection measures, the resilience of the Purchasing Managers' Index (PMI) suggests that economic momentum remains strong.

Taiwan's stock market experienced a 3.5% decline last month, as investors took profit across the Taiwanese component supply-chain following the launch of Apple's new iPhone models. With expectations reset, the market has been stabilised.

Corporate earnings have been revised upward across various regions. We believe the **corporate earnings momentum in Asia is strong enough to support equity prices**. Moreover, **valuations are still at a discount in Asia compared to the U.S. We remain positive on Asian equities for the rest of this year**, and will look to raise exposure following any major correction.

Q4: What is the Fund's current investment strategy for its bond and equity portfolio?

A4: **The Fund is adding to its exposure in high yield bonds, particularly the Indonesian coal mining and Chinese high yield property sectors**. Meanwhile, Chinese high yield properties underperformed due to further tightening policies implemented by the Chinese government. Consequently, the Fund trimmed some Chinese property bonds with weaker credit quality. The Fund reduced its overall position in Asian local currency bond markets, while the Indonesian and Chinese onshore and offshore bond markets remain our top picks.

In terms of equities, the Fund took profit from a couple of names and tactically increased its positions in financial stocks, after which it added some shares in the Australian banking sector. At the same time, the Fund added exposure to a REIT in Hong Kong in order to enhance dividend yield.

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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)	HK0000107257	BEAPMIU HK
A HKD (Distributing)	HK0000107265	BEAPMIH HK
A USD (Accumulating)	HK0000122330	BEAPUAA HK
A AUD Hedged (Distributing)	HK0000162815	BEAPAAH HK
A RMB Hedged (Distributing)	HK0000194255	BEAPARH HK
A NZD Hedged (Distributing)	HK0000162849	BEANZDH HK

Source of the fund data: BEA Union Investment Management Limited, as at 30 September 2017.

1. Source: ©2017 Morningstar. All Rights Reserved. Data as of 30 September 2017. The rating is for A USD (Distributing).
2. Source: Lipper, as at 30 September 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: 8.8%, 2016: 6.3%, 2015: 0.4%, 2014: 2.7%, 2013: 5.1%, since launch till end of 2012: 19.0%. A USD (Distributing) was launched on 11 May 2012.
3. Annualised dividend yield = (dividend of September 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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