

Important note:

1. 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.
2. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
3. 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.
4. 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.
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 Multi Income Fund ("APM")

 ★★★★★
 Morningstar Overall Rating¹
Asian Investment Grade Bonds Outperform, Driven by Risk-off Sentiment

Highlights:

- 1. Asian investment grade bonds outperform due to risk-off sentiment**
- 2. Investor sentiment towards Taiwanese semiconductor industry turns positive**
- 3. Bond portfolio skewed toward more defensive short-dated bonds and issuers with better credit quality**

Fund Features

- The Fund focuses on high yielding Asia Pacific bonds and equities, distributions from both bonds and equities are the main source of income.

Market Review and Outlook
Bonds

- In August, U.S. Treasury yields were constrained by the risk-off sentiment triggered by trade war headlines and the volatility of emerging market currencies.
- 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.
- Asian investment grade bond market was benefiting from limited primary issuance and lower U.S. Treasury yields. Overall, yield spread of Asian investment grade bonds tightened moderately.

Equities

- Chinese equities were under pressure in August as economic data including retail sales, industrial production, and fixed-asset investment growth failed to meet market expectations.
- Taiwan's equity market rose slightly as a result of positive investor sentiment towards the semiconductor industry and Apple's supply chain.
- Australian equities have underperformed, weighed down by weakness in the energy and materials sectors due to escalating trade tensions and weakening investment growth in China.

Investment Strategy

Bonds

- The Fund maintains a defensive strategy, with security selection skewed toward more defensive short-dated bonds and issuers with better credit quality.
- The Fund trimmed down its exposure in higher beta high yield names, especially Indonesian and Indian entities which are vulnerable to increasing concerns about their countries' macro condition and currency depreciation.

Equities

- The Fund took the opportunity to pick up alpha in the Australian and Chinese equity markets during volatile market condition.
- The Fund continues to invest in higher yielding names in Australia, Taiwan, and Singapore. We remain positive on the banking sector - which stands to benefit from upcoming interest rate hikes, and on companies with a commitment to dividends backed by strong cash flows and balance sheets.

Fund Performance and Dividend

Performance² : A USD (Distributing)



A USD (Distributing) launched on 11 May 2012.

Dividend

August 2018	Dividend per Unit	Annualised Dividend Yield ³
A USD (Distributing)	US\$ 0.04800	5.6%
A HKD (Distributing)	HK\$ 0.48000	5.5%
A AUD Hedged (Distributing)	AU\$ 0.05100	7.2%
A RMB Hedged (Distributing)	RMB 0.58000	7.6%
A NZD Hedged (Distributing)	NZD 0.05100	7.1%

Throughout most of the past 12 months, 100% of the Fund's dividends came from net distributable income.

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>

Fund Code

	ISIN	Bloomberg
A USD (Accumulating)	HK0000122330	BEAPUAA HK
A EUR Hedged (Accumulating)	HK0000405701	BEAAEHA HK
A USD (Distributing)	HK0000107257	BEAPMIU HK
A HKD (Distributing)	HK0000107265	BEAPMIH HK
A AUD Hedged (Distributing)	HK0000162815	BEAPAAH HK
A RMB Hedged (Distributing)	HK0000194255	BEAPARH HK
A NZD Hedged (Distributing)	HK0000162849	BEANZDH HK
A EUR Hedged (Distributing)	HK0000405693	BEAAEHD 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 return is for A USD (Distributing) launched on 11 May 2012. 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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