

- BEA Union Investment Global Flexi Allocation Fund (the “Fund”) seeks to achieve medium to long term capital growth and income through investing in a diversified portfolio consisting of global equity securities and/or debt securities in global markets.
- The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
- The Fund invests directly in equities, REITs, 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 global markets.
- 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.
- 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. In terms of RMB classes of units, 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. 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 Global Flexi Allocation Fund**  
 《Developed Market Equities Outperform amid Catch-up Trade》  
 23 October 2017



**Highlights:**

- **The Fund is up 11.8%<sup>1</sup> YTD, 11.2%<sup>1</sup> in 1 year, and 19.1%<sup>1</sup> since its launch**
- **5.0%<sup>2</sup> annualised dividend yield for A USD (Distributing) in September**
- **Developed market equities were the strongest performers in line with improving economic data**

**Q1 :** How has the BEA Union Investment Global Flexi Allocation Fund (the “Fund”) been performing recently?

**A1 :** **The Fund has achieved 11.8%<sup>1</sup> YTD, 11.2%<sup>1</sup> in 1 year, and 19.1%<sup>1</sup> since its launch in January 2016.** The Fund invests in global equity and bond markets, and offers flexibility by allocating assets across equities and bonds in response to market conditions. Its aim is to capture capital appreciation in up markets and minimise fluctuations in fund performance during down markets.

**The Fund’s investment strategy balances risk and return**, including a thorough diversification of investment risks. Annualised volatility for the last 1 year was just 3.8%<sup>3</sup>.

Fund Performance	YTD	1 Year	Since Launch
<b>A USD (Distributing)</b>	11.8% <sup>1</sup>	11.2% <sup>1</sup>	19.1% <sup>1</sup>

**Q2: What was the Fund's annualised dividend yield in September 2017?**

A2: Global stock and bond markets have performed well year-to-date, and the Fund recorded a decent return during the period. In September, the annualised dividend yields were 5.0%<sup>2</sup> and 4.9%<sup>2</sup> for A USD (Distributing) and A HKD (Distributing) respectively.

**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.**

September 2017	Dividend per Unit	Annualised Dividend Yield <sup>2</sup>
A USD (Distributing)	US\$ 0.04600	5.0%
A HKD (Distributing)	HK\$ 0.46000	4.9%

**Q3: What is the fund manager's outlook for the stock market?**

A3: Global equity markets continued their march upwards in September as a result of strengthening economic data and rising inflation expectations. Developed markets were the strongest performers, with the U.S., Eurozone, U.K., and Japan indices all outperforming. This can be seen as catch-up trade: the U.S., U.K., and Japan remain underperformers for the year-to-date. **We continue to maintain a positive outlook on developed markets despite their extended gains since the beginning of the year. We will look to increase exposure following any major correction.**

**Q4 : What is the Fund's current investment strategy?**

A4: The Fund's equity portfolio is invested based on a quantitative screening process, following which our fund managers construct a basket of selected stocks by conducting fundamental analysis. **On a valuation basis, we currently regard emerging markets as preferable. Hence, the Fund has slightly increased its investment in emerging market equities.** In terms of sectors, we are overweight in real estate and financials, and underweight in information technology and energy.

The portfolio's bond weighting was 45%. Due to the Federal Reserve's decision to reduce its balance sheet and unwind quantitative easing, government bond yields of major developed and emerging markets increased in September. Among the developed markets, the U.K. was the outlier, as the British pound appreciated against the U.S. dollar after the Bank of England hinted at the possibility of a rate hike. **Given the rising expectation of rate hikes and higher bond yields, the Fund increased its exposure in high yield bonds and reduced its portfolio duration.**

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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)	HK0000273588	BUGFAUD HK
A HKD (Distributing)	HK0000273596	BUGFAHD HK

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

1. 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: 11.8%, since launch till 31 December 2016: 6.6%. A USD (Distributing) was launched on 27 January 2016.
2. 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.
3. Source: Morningstar Asia, as at 30 September 2017. The quoted annualised volatility 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 is not indicative of future performance.

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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