

Important note:

1. 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.
2. The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
3. 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.
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. 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.
7. 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.
8. Investors should not make an investment decision based solely on this material.

BEA Union Investment **Global Flexi Allocation Fund**

Strong U.S. Dollar Supports Performance of U.S. Equities


Highlights:

1. U.S. equities buoyant while U.S. dollar stays strong
2. European bonds underperform due to Italy's political turmoil
3. The Fund is up 4.3%¹ in 1 year

Fund Features

- The Fund is a one stop solution for global equity and bond investment.
- Prudent selection of stable, global large-cap equities with capital appreciation potential. Flexible allocation across Asian high yield bonds and global investment grade corporate bonds.

Market Review and Outlook
Equities

- The U.S. market performed resiliently in May, supported by a strong U.S. dollar. Political risk around the formation of Italy's new government triggered market concern about its commitment to the Eurozone. The euro depreciated by 3% in May and dragged down the performance of European equities in U.S. dollar terms.
- Following other global markets, Japan's equity market experienced a slightly correction in May, with a main drag coming from performance in the energy and financial sectors.

Bonds

- Global bond markets posted a weak performance in May as a result of the strong U.S. dollar and rising European bond yields, which were precipitated by the risk-off sentiment and political headache in Italy.
- Overall, European government bonds underperformed during the month, especially in the countries with relatively weak fundamentals, such as Italy and Spain. In contrast, other developed countries such as Japan, Australia, and the UK, managed to record positive returns, due to their stable currencies and inflows from investors fleeing riskier markets.

Investment Strategy

Equities

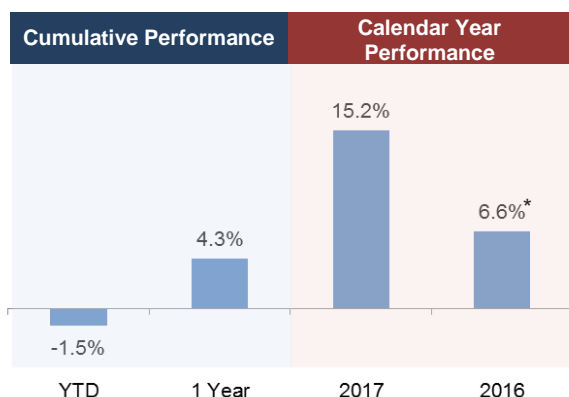
- In view of market volatility, the Fund has reduced its exposure in equities.
- The Fund has a neutral stance on regional allocation, seeking to invest in companies with appealing growth and reasonable valuations in their industries. It has a slight overweight in the healthcare and materials sectors.

Bonds

- The Fund's allocation in bonds remains at 40-45%.
- The portfolio remains less invested in long-term bonds, as yields may be driven up by higher rate hike expectations.
- The Fund has tactically increased its overall duration following the Italy headlines but remains underweight in bonds with longer maturities.

Fund Performance and Dividend

Performance¹ : A USD (Distributing)



Dividend

May 2018	Dividend per Unit	Annualised Dividend Yield ²
A USD (Distributing)	US\$ 0.03800	4.1%
A HKD (Distributing)	HK\$ 0.38000	4.1%

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

* Since launch till 31 December of the same year. A USD (Distributing) launched on 27 January 2016.

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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 31 May 2018.

1. Source: Lipper, as at 31 May 2018. The quoted return is for A USD (Distributing) launched on 27 January 2016. Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
2. Annualised dividend yield = (dividend of May 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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