Fund Report (Oct 2025)

Important note:

1. BEA Union Investment Global Quality Bond Fund (the "Fund") seeks medium to long term capital growth and regular income by primarily investing in a portfolio of global investment-grade debt securities.
2. The Fund is subject to general investment risk, emerging market risk, derivative risk and currency risk.
3. The Fund invests in debts securities and are subject to risks in interest rates, credit/counterparty, downgrading, below investment grade or non-rated securities, volatility and liquidity, valuation and sovereign debt, credit rating risks which may adversely affect the price of the debt securities.
4. The Fund's investment in debt instruments with loss-absorption features are subject to risks of being written down or converted to ordinary shares upon the occurrence of complex and unpredictable trigger event which may result in a significant or total reduction in the value of such instruments. These debt instruments may also be exposed to liquidity, valuation and sector concentration risk.
5. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. Distributions paid out of capital amount to a return or withdrawal of part of the unitholders 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 the currency hedged class units will be hedged at all times or that the manager will be successful in employing the hedge.
7. RMB is currently not a freely convertible currency as it is subject to exchange controls and restrictions. Non-RMB based (e.g. Hong Kong) investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors base currencies (for example HKD) will not depreciate. Any depreciation of the RMB could adversely affect the value of investors' investments.
8. The Fund may use financial derivative instruments for hedging and investment purposes which may not achieve the intended purpose and may result in significant losses. Risks associated with derivative instruments include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk.
9. Investors should not make an investment decision based solely on this material.

BEA Union Investment Global Quality Bond Fund ("QB")

Stay constructive on global and Asian investment-grade dollar bonds amid low supply, alluring yields

Highlights:

1. **Solid technical and attractive yields spur demand**
2. **Global and Asian Investment-grade dollar bond spreads to stay tight**
3. **Short-Term Bonds are less sensitive to interest rate movements and tend to deliver relatively stable performance**

Fund Features

- A global bond fund focuses on investment-grade bonds
- Primarily invests in short-term bonds and aims to minimize price volatility

Market Review & Outlook

In September, the US Treasury curve flattened, with the 2-year yield remaining unchanged and the 10-year yield falling by 8 basis points. Treasuries rallied after two consecutive uninspiring non-farm payroll reports, along with signs of limited tariff pass-through, as reflected in subdued core inflation data. Together, these factors have reinforced investor expectations that the Fed will likely deliver two additional cuts later this year, following its 25-basis-point cut in September.

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Driven by the September rate cut and favourable technicals amid scant supply, global and Asian investment-grade bond credit spreads continued to grind tighter throughout the month. Strong inflows have pushed US investment-grade bond spreads to historically tight levels. Banks, automotive and energy outperformed, while new issues also performed well. In Asia, investment-grade credit spreads also narrowed, benefiting from positive sentiment driven by US rate cut and lower-than-expected supply, with most new issuance concentrated in Japan and South Korea. During the month, issuers offering relative value outperformed, spanning across spaces including China's technology, media and telecommunications (TMT), Indian corporates, and South Korean financials.

Our investment team remains constructive on both global and Asian investment-grade bonds. Credit spreads are expected to stay within a tight range, supported by limited supply and persistent robust demand, buoyed by still high yields. Furthermore, corporate actions and robust credit fundamentals will also lend support to the overall spread performance within Asia. Meanwhile, China's TMT remains resilient, but the team will closely monitor the competitive dynamics in the food delivery space for potential rating implications on issuers. However, we do not anticipate any imminent rating actions at this time.

Investment Strategy

Supported by compelling yields, robust credit fundamentals, and favourable technicals, the Fund continues to find investment opportunities across a diversified mix of global and Asian investment-grade dollar bonds. The prospects for short-duration bonds remain promising. Despite the Fed’s rate cut in September, short-term bonds are less sensitive to interest rate movements and tend to deliver more stable performance. From a sector perspective, the portfolio maintains exposure across government, financials, communication services, consumer staples and discretionary bonds.

Among global bonds, in addition to US Treasuries, we continue to see potential in select issuances from the US, UK, Japan, Australia and several European countries. In Asia, the outlook remains constructive for bonds in communication services, financials, materials and utilities across China and South Korea.

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Fund Performance

	Cumulative Performance %					Calendar Year Performance %					Volatility %
	YTD	1 Year	3 Years	5 Years	Since Launch	2024	2023	2022	2021	2020	3 Years (Annualised)
A USD (Dis)	3.3	3.9	N/A	N/A	4.0	N/A	N/A	N/A	N/A	N/A	N/A
A HKD (Dis)	3.5	4.1	N/A	N/A	3.8	N/A	N/A	N/A	N/A	N/A	N/A
A RMB (Dis)	0.3	5.8	N/A	N/A	4.0	N/A	N/A	N/A	N/A	N/A	N/A

#Past performance of the share class A AUD Hgd (Dis) may be presented only when it has an investment track record of not less than 6 months.

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 (Distributing)	HK0001044681	BEUGQBA HK
A HKD (Distributing)	HK0001044707	BEUGQAH HK
A RMB (Distributing)	HK0001044715	BEUGQAC HK
A AUD (Hedge)(Distributing)	HK0001141198	BEUIGBA HK

Source: Lipper, BEA Union Investment Management Limited, as at 30 Sep 2025.

Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested. For funds/share classes denominated in foreign currencies,
HKD/USD based investors are therefore exposed to foreign exchange fluctuations.

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 authorized by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorization 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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