

BEA Union Investment Asian Bond Target Maturity Fund 2023

As at 30 October 2020



Retail Hotline: (852) 3608 0321 | www.bea-union-investment.com

- The duration of BEA Union Investment Asian Bond Target Maturity Fund 2023 (the "Fund") is limited (approximately 3.1 years) and will be terminated automatically at maturity. Neither the income nor the capital of the Fund is guaranteed at or before maturity. There are risks that the Fund may not make any distribution and investors may not recoup the original amount invested in the Fund during the investment period as well as at the Maturity Date.
- The Fund will return approximately between 30% and 50% of its prevailing Net Asset Value around six months preceding the Maturity Date. Consequently, the Net Asset Value of the Fund will be immediately, substantially and correspondingly reduced while the cash level and overall liquidity of the Fund will also fall temporarily. Also, each of the remaining monthly distributions will be less than the previous monthly distributions received.
- Substantial realisations during the term of the Fund may adversely affect the value of the Fund, causing the size of the Fund to shrink significantly and trigger the Fund to be early terminated. When the net realisation exceeds the predefined threshold as determined by the Manager from time to time, the Manager may downward adjust the realisation price of the Fund in an attempt to minimise the potential dilutive effects on the Fund's assets in which the investors may redeem at a lower realisation price.
- The Fund may be subject to early termination risk. Upon the termination of the Fund, all the assets of the Fund will be realised, and the net proceeds that are available for distribution will be distributed to the relevant unitholders. Investors should note the amount distributed may be less than the amount of their initial investment.
- The Fund investments may mature prior to the Maturity Date, and the return of principal will need to be re-invested in shorter-dated securities or deposited as cash. This may result in lower interest income and returns to the Fund.
- The Manager may at its discretion not to issue any unit during the launch period. If the Manager decides not to proceed with the launch, any subscription monies shall be promptly returned to the investors in full (without any interest) less any applicable bank charges, after the close of the launch period. The Fund will also be closed to subsequent subscriptions after the launch period. The Manager retains the discretion to subsequently re-open the Fund to any subsequent subscription(s), without any prior notice to existing Unitholders.
- The Fund invests in debt securities and are subject to risks in interest rates, credit / counterparty, downgrading, below investment grade and non-rated securities, volatility and liquidity, valuation, sovereign debt and credit rating.
- The Fund is subject to general investment risks, Asian market concentration risk (may have substantial exposure related to China), emerging market risk, currency risk and money market investment risks.
- The Manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. 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. Please note that a positive distribution yield does not imply a positive return. However, there is no assurance on any distribution or the distribution rate or dividend yield.
- RMB is currently not freely convertible and is subject to foreign 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 RMB may adversely affect the value of investor's investment in the Fund.
- The Fund may use 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.
- Investors should not make an investment decision based solely on this material.



OBJECTIVE

The Fund, on a best effort basis, seeks regular income from the close of the launch period up to the Fund's target maturity date ("Maturity Date") (being 4 October 2023) and seeks to return the capital of the Fund (through early partial repayment and upon maturity) by investing primarily in Asian fixed income-related securities.

FUND POSITIONING

- Aims to provide monthly dividends (Dividend is not guaranteed and distributions may be paid out of income and /or capital!).
- Invests in Asian high yield and investment grade corporate bonds.

FUND DETAILS

Base Currency	US\$
NAV per Unit	A USD (Dis) - USD 9.97 A HKD (Dis) - HKD 99.84 A RMB Hgd (Dis) RMB - 100.03
Launch Date	14 Sep 2020
Management Fee	0.60% p.a.
Preliminary Charge	Up to 3.00%
Realisation Charge	Nil [^]
Dealing Frequency	Daily (HK business days)
Fund Size	US\$ 81 million

[^]For further details, please refer to the section headed "Other fees" in the key facts statement of the Fund about "Pricing Adjustment Mechanism".

CODES

	ISIN	Bloomberg
A USD (Dis)	HK0000562568	BIA23AU HK
A HKD (Dis)	HK0000562576	BIA23AH HK
A RMB Hgd (Dis)*	HK0000562592	BIA23AC HK

PERFORMANCE

Fund performance will be shown when the Fund has 6 month record.

GEOGRAPHICAL ALLOCATION

China	65.8%
India	11.2%
Singapore	5.1%
Hong Kong, China	4.7%
Indonesia	4.5%
Macau, China	4.0%
Philippines	3.0%
Cash	1.7%

SECTOR ALLOCATION

Others	0.9%
Cash	1.7%
Government Agency	2.1%
Consumer Discretionary	4.1%
Energy	11.0%
Industrials	12.8%
Financials	24.5%
Properties	42.9%

TOP HOLDINGS

	Market	Sector	Weights
CICC Hong Kong Finance 2016 1.75% 10/08/2023	China	Financials	5.1%
BOC Aviation 4.38% 02/05/2023	Singapore	Financials	5.1%
Azure Orbit IV International Finance 3.75% 25/01/2023	China	Financials	5.1%
Huarong Finance 2019 2.50% 24/02/2023	China	Financials	5.1%
CNAC HK Finbridge 4.63% 14/03/2023	China	Materials	5.1%

SUMMARY STATISTICS

Average Credit Rating	BB+
Investment Grade	51.7%
High Yield	48.3%
Current Yield	4.9%

DIVIDEND¹

	October 2020	Dividend per Unit	Annualised Yield
A USD (Dis)		0.0275	3.3%
A HKD (Dis)		0.2750	3.3%
A RMB Hgd (Dis)*		0.3830	4.6%

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*Hgd: Hedged.

Source: Lipper, BEA Union Investment Management Limited

1. Please refer to the dividend notice available on website for dividend composition information and details. Dividend only applies to distributing classes and is not guaranteed. Past dividend record is not indicative of future dividend likely to be achieved. Annualised dividend yield = (dividend of the current month x 12) / last month end NAV x 100%. 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 in the table 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 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 has not been reviewed by the SFC in Hong Kong.

Issuer: BEA Union Investment Management Limited