

BEA Union Investment China High Yield Income Fund

As at 30 April 2021



Morningstar Overall Rating¹



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www.bea-union-investment.com

- BEA Union Investment China High Yield Income Fund (the "Fund") is subject to general investment risk, China market concentration risk, emerging market risk and currency risk.
- The Fund invests in debt securities are subject to risks in interest rates, credit/counterparty, downgrading, volatility and liquidity, valuation and sovereign debt and credit rating risks which may adversely affect the price of the debt securities.
- The Fund may invest significantly in below investment grade or non-rated debt securities, including high yield bonds, which are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest 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. 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 the currency hedged class units will be hedged at all times or that the manager will be successful in employing the hedge.
- 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.
- 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.
- Investors should not make an investment decision based solely on this material.

RECENT AWARDS



Top Investment Houses
in Asian G3 Bonds
Rank 7 (Hong Kong)²



One of the Top Investment Houses
in Asian Local Currency Bonds
(Hong Kong)³

OBJECTIVE

The Fund seeks to achieve medium to long term capital growth and regular income by primarily (i.e. at least 70% of its net asset value) investing in high yield debt securities that are issued or guaranteed by entities which are incorporated in China or have significant operations in or assets in, or derive significant portion of revenue or profits from China.

FUND POSITIONING

- Diversified among 50 China high yield bonds
- A selection of quality China high yield bonds to target stable income and additional return

FUND DETAILS

| | |
|--------------------|--------------------------|
| Base Currency | US\$ |
| Management Fee | 1.20% p.a. |
| Preliminary Charge | Up to 5.00% |
| Realisation Charge | Currently waived |
| Dealing Frequency | Daily (HK business days) |
| Fund Size | US\$55 million |

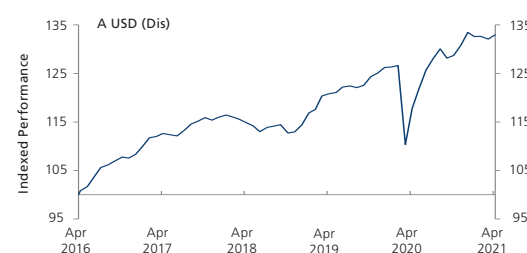
| | NAV per Unit | Launch Date |
|------------------|--------------|-------------|
| A USD (Dis) | US\$9.28 | 22 Apr 2016 |
| A HKD (Dis) | HK\$93.04 | 22 Apr 2016 |
| A AUD Hgd (Dis)* | AU\$8.61 | 22 Apr 2016 |
| A RMB Hgd (Dis)* | RMB91.30 | 22 Apr 2016 |

CODES

| | ISIN | Bloomberg |
|------------------|--------------|------------|
| A USD (Dis) | HK0000288032 | BEACYAU HK |
| A HKD (Dis) | HK0000288040 | BEACYAH HK |
| A AUD Hgd (Dis)* | HK0000288057 | BEACYAA HK |
| A RMB Hgd (Dis)* | HK0000288065 | BEACYAR HK |

PERFORMANCE

| | Cumulative Performance % | | | | | Calendar Year Performance % | | | | | Volatility % |
|------------------|--------------------------|--------|---------|---------|--------------|-----------------------------|------|------|------|------------------|----------------------|
| | YTD | 1 Year | 3 Years | 5 Years | Since Launch | 2020 | 2019 | 2018 | 2017 | 2016 | 3 Years (Annualised) |
| A USD (Dis) | -0.4 | 12.9 | 15.7 | 31.9 | 33.0 | 5.7 | 10.4 | -1.4 | 7.0 | 8.4 ⁴ | 9.5 |
| A HKD (Dis) | -0.2 | 13.1 | 14.5 | 32.1 | 33.2 | 5.2 | 9.7 | -1.2 | 7.8 | 8.4 ⁴ | 9.7 |
| A AUD Hgd (Dis)* | -0.5 | 12.3 | 11.4 | 26.1 | 27.0 | 4.5 | 8.6 | -2.5 | 6.6 | 8.3 ⁴ | 9.8 |
| A RMB Hgd (Dis)* | 0.4 | 14.9 | 18.4 | 40.4 | 41.7 | 6.9 | 10.3 | -0.5 | 10.2 | 9.2 ⁴ | 9.5 |



DIVIDEND⁵

| | April 2021 | Dividend per Unit | Annualised Yield |
|------------------|------------|-------------------|------------------|
| A USD (Dis) | | 0.0608 | 7.9% |
| A HKD (Dis) | | 0.6080 | 7.8% |
| A AUD Hgd (Dis)* | | 0.0564 | 7.9% |
| A RMB Hgd (Dis)* | | 0.7730 | 10.2% |

GEOGRAPHICAL ALLOCATION

| | |
|--------------|--------|
| China | 80.5% |
| Cash | 7.4% |
| India | 4.9% |
| Indonesia | 3.1% |
| Macau, China | 2.5% |
| Others | 1.6% |
| Total | 100.0% |

SECTOR ALLOCATION

| | |
|--------|------------------------|
| 2.8% | Materials |
| 2.8% | Others |
| 4.1% | Energy |
| 7.4% | Cash |
| 9.3% | Consumer Discretionary |
| 73.6% | Properties |
| 100.0% | Total |

TOP HOLDINGS

| | Market | Sector | Weights |
|--|--------|------------|---------|
| China Evergrande 9.50% 11/04/2022 | China | Properties | 3.6% |
| Kaisa Group 11.50% 30/01/2023 | China | Properties | 2.9% |
| Modern Land China 11.80% 26/02/2022 | China | Properties | 2.3% |
| Fantasia Group 15.00% 18/12/2021 | China | Properties | 2.1% |
| China Evergrande 8.90% 24/05/2021 | China | Properties | 2.1% |

CURRENCY EXPOSURE

| USD | Others |
|-------|--------|
| 99.2% | 0.8% |

SUMMARY STATISTICS

| | |
|-----------------------|-----------|
| Average Credit Rating | BB- |
| Investment Grade | 0.0% |
| High Yield | 100.0% |
| Duration | 1.8 years |
| Yield to Maturity | 6.6% |
| Yield to Call | 7.0% |

*Hgd: Hedged.

1. © 2021 Morningstar. All Rights Reserved. Data as of 30 April 2021. The rating is for A USD (Dis).
2. Source: The Asset, 2020 Research for Asian G3 Bonds, October 2020.
3. Source: The Asset, 2020 Research for Asian Local Currency Bonds, October 2020.
4. Since launch till the 31 December of the same year.
5. 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.

Source: Lipper, BEA Union Investment Management Limited

Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested. HKD/USD based investors are 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 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 the 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