

Important note:

1. The Fund is subject to general investment risk, equity market risk, asset allocation risk, Asian market concentration risk, emerging market risk and currency risk.
2. The Fund is subject to equity markets risk such as changes in investment sentiment, political, economic conditions and issuer-specific factors which may adversely affect the fund value.
3. The Fund invests in debts securities and is subject to risks in interest rates, credit/counterparty, downgrading, below investment grade or non-rated securities, volatility and liquidity, valuation and sovereign debt and credit rating risks which may adversely affect the price of the debt securities.
4. 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.
5. 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.
6. 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.
7. 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.
8. Investors should not make an investment decision based solely on this material.

BEA Union Investment Asia Pacific Multi Income Fund ("APM")★★★★
Morningstar Overall Rating+

Stay constructive on Asian equities partly due to resilient economic growth

Highlights:

- Asian equity fundamentals still intact
- AI, localisation, national security, geopolitical development are key areas of focus
- Added South Korea and Taiwan on positive technology development

Fund Features

- The Fund aims to capture growth and dividend income opportunities by investing in Asia Pacific equities and bonds.

Market Review & Outlook

In February, the MSCI Asia ex-Japan Index rose 5.9% month-on-month, led by markets including South Korea and Taiwan, which moved higher on positive sentiment towards AI.

Outperformance of the South Korean market was broad-based. The humanoid robotics theme and ongoing demand-supply tightness in memory chips buoyed the consumer discretionary and technology sectors, respectively. The South Korean government's Value-up reform and the amended Commercial Code are intended to unlock shareholder value and improve corporate governance, thereby narrowing the valuation discount of South Korean equities relative to global peers. Corporate reforms have been making good progress, and overall market sentiment was also lifted by earnings upgrades, particularly for memory chip makers.

Gains in Taiwanese stocks were led by the technology sector, driven by positive earnings revisions from technology companies, underscoring still-strong AI demand. The preference for technology hardware stocks following the sell-off in software names played positively into Taiwan's technology space.

Chinese equities remained relatively steady during the month, as investors stayed on the sidelines ahead of the Two Sessions in March while awaiting further policy guidance. February was also a holiday-shortened month due to the Chinese New Year. Meanwhile, Hong Kong shares ended lower for the month, weighed down by technology shares on weak earnings concern and worries that AI could disrupt the business models of traditional industries.

Looking ahead, the team remains constructive on Asian equities, supported by resilient global economic growth, strong earnings, and supportive local policies. Progress in AI technology, localisation, national security, and geopolitics remain key areas of focus. Across markets, we are positive on South Korea, supported by the government's capital reform efforts and the country's strong thematic exposures, including AI. Meanwhile, ample liquidity in China and the government's commitment to support the market keeps us invested in China. However, we are relatively less optimistic on India due to high valuations and lack of foreign fund inflows.

In February, Asian investment-grade dollar bonds outperformed high-yield bonds, driven by gains from lower US Treasury yields. Amid escalating geopolitical tensions, overall credit spreads in Asian investment-grade bonds widened mildly towards the end of the month. China's higher-beta technology, media and telecommunications (TMT) and Indonesian bonds underperformed, while defensive quasi-sovereign sectors in South Korea and India fared better.

We remain constructive on Asian credit, which is expected to remain resilient despite ongoing geopolitical risks. Spreads will be underpinned by range-bound US Treasury yields, stable fundamentals, still attractive all-in yields, and relatively manageable supply. However, profit-taking pressure could kick in across sectors with stretched valuations.

Investment Strategy

Within equities, the Fund remains constructive on South Korea, supported by continued progress in the "Value-Up" initiative and positive corporate earnings revisions. The Fund increased its exposure to South Korea and Taiwan, partly driven by positive updates in the technology sector and a robust outlook for AI. This resulted in higher technology positioning and reduced exposure to energy due to profit-taking.

In fixed income, with investment-grade bond spreads trading at the tight end of their range and in light of ongoing global geopolitical uncertainty, we are upholding an overall neutral position while seeking opportunities to buy on dips.

Contributor

- Overweight in South Korea: Supportive flow on good progress from corporate governance reform, leadership in select industrial sectors, such as defense, power, and shipbuilding
- Overweight in South Korea and Taiwan technology sector: Technology shares were primarily driven by robust outlook in AI, memory upcycle, and on-going positive corporate updates

Detractor

- Overweight in Commodities: Commodities came under pressure from profit-taking and sector rotation

Fund Performance

	Cumulative Performance %					Calendar Year Performance %					Volatility %
	YTD	1 Year	3 Years	5 Years	Since Launch	2025	2024	2023	2022	2021	3 Years (Annualised)
A USD (Acc)	19.5	47.9	76.3	32.8	96.0	24.1	10.7	7.4	-23.5	-0.9	12.0
A RMB Hgd (Acc)*	19.0	43.3	60.8	23.1	45.9	20.4	7.3	4.0	-23.3	1.3	11.9
A USD (Dis)	19.6	48.1	76.4	32.9	120.1	24.2	10.7	7.4	-23.5	-0.8	12.0
A HKD (Dis)	20.1	48.8	75.6	33.9	121.5	24.4	10.2	7.4	-23.4	-0.4	12.2
A AUD Hgd (Dis)*	19.2	46.3	69.2	24.4	56.8	23.1	9.2	5.2	-24.8	-1.3	12.0
A RMB Hgd (Dis)*	19.1	43.4	61.2	23.3	79.7	20.5	7.5	4.0	-23.5	1.4	11.9
A NZD Hgd (Dis)*	19.0	45.5	71.2	28.0	58.7	22.6	10.1	6.6	-24.0	-1.1	11.8
A EUR Hgd (Dis)*	19.3	45.8	67.1	20.7	25.1	22.2	8.8	4.8	-25.5	-2.0	12.0

*Hgd: Hedged.

Fund Code

	ISIN	Bloomberg
A USD (Accumulating)	HK0000122330	BEAPUAA HK
A RMB Hedged (Accumulating)	HK0000282605	BEAARHA HK
A USD (Distributing)	HK0000107257	BEAPMIU HK
A HKD (Distributing)	HK0000107265	BEAPMIH HK
A AUD Hedged (Distributing)	HK0000162815	BEAPAAH HK
A RMB Hedged (Distributing)	HK0000194255	BEAPARH HK
A NZD Hedged (Distributing)	HK0000162849	BEANZDH HK
A EUR Hedged (Distributing)	HK0000405693	BEAAEHD HK

Source: Unless otherwise specified, all data sources are BEA Union Investment & Lipper as of 28 February 2026. Month-end asset mixes may total greater than/less than 100% due to rounding. As such the values of the geographical and section allocation displayed may not total 100%.

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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.

Investment involves risks, including the possible loss of the principal amount invested. Past performance is not indicative of future performance. Investors should refer to the relevant offering documents (including the Key Facts Statement) of the fund for further details including risk factors.

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 object to market fluctuations and to the risks inherent in all investments. The information contained in this document is based upon information which BEA Union Investment Management Limited ("BEA Union Investment") considers reliable and is provided on an "as is" basis. BEA Union Investment makes no representations or warranties, express or implied, as to the accuracy or completeness of the above information or that any returns indicated will be achieved. Investors should determine for themselves the relevance of the information. Any forecasts, figures, opinions or investment techniques and strategies presented are for information purposes only and are subject to change without prior notice. This document does not constitute an offer, recommendation or solicitation to buy or sell any securities or financial instruments. Investors should not solely rely on this material to make any investment decision. This document is for distribution solely to persons permitted to receive it and to persons in jurisdictions who may receive it without breaching applicable legal or regulatory requirements. This document must not be reproduced or redistributed without the prior written consent of BEA Union Investment. This material and the mentioned website have not been reviewed by the SFC in Hong Kong.

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