

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+

Positive on Asian equities on global AI capex, supportive local policies

Highlights:

- Positive on South Korean equities on capital reform, strong AI and defense themes
- Favour tech shares on solid earnings, strong supplier pricing power, more long-term agreements
- Asian IG credit spreads to be supported by high all-in yields, muted new issuance

Fund Features

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

Market Review & Outlook

In May, the MSCI APxJ Index (USD) advanced 10% month-on-month, primarily led by South Korea and Taiwan. As the much-anticipated China-US presidential meeting turned out to be uneventful, investor attention shifted to the resilience of quarterly earnings, resulting in the technology sector leading the market rally.

The outperformance of South Korean equities was largely driven by the technology and consumer discretionary sectors. Buoyed by multiple themes like physical AI, robotics, and power, market breadth expanded as gains extended beyond memory to upstream semiconductor suppliers and non-semiconductor manufacturing. In addition, anticipation of several upcoming ETF launches also bolstered market sentiment.

The outperformance of Taiwan's equity market was mainly lifted by the technology sector, driven by broadening AI gainers on strong trading volume, as well as upgrades for AI and high-performance computing (HPC) chips. During the month, Taiwanese equities saw net inflows from foreign institutional investors.

Meanwhile, China's investor sentiment oscillated amid competing drivers. While developments surrounding the US-Iran conflict remained under scrutiny, the technology localisation theme gained momentum. At the same time, investors speculated on a potential relaxation of tariff-related sanctions ahead of the Xi-Trump meeting.

Looking ahead, we uphold a constructive outlook on Asian equities, driven by sustained global AI capex and supportive local policies, though we remain vigilant considering near-term developments in the Middle East. From a market perspective, ample liquidity, and Beijing's policy backing keep us invested in China. At the same time, we maintain a positive view of South Korean equities, buoyed by the government's drive towards capital reform and strong domestic investment themes, including AI and defense. Conversely, we are relatively less optimistic on India due to its high valuations and lack of foreign fund inflows.

In fixed income, Asian investment-grade dollar bond spreads continued to tighten, supported by net negative supply. Year-to-date new issuance amounted to US\$77 billion, which was lower than maturities, tenders, and buybacks combined. During the month, Chinese technology, media and telecommunications (TMT), Indian credit, and financials outperformed, while Indonesia underperformed as new issuance offered yield concessions and added pressure to existing curves.

We expect Asian credit spreads to be supported by high all-in yields, muted new issuance, and a slowdown in the supply pipeline heading into summer. Flows will likely remain constructive as long as US Treasuries trade in a stable range. In terms of sector allocation, we remain positive on financials, where spreads have further room to tighten.

Investment Strategy

In May, the Fund increased its equity exposure to South Korea and Singapore while reducing its allocation to China and India. In terms of sector allocation, the Fund raised its exposure to technology, while lowering its weighting in communication services and industrials.

During the month, the Fund's contribution primarily came from its equity holdings. There was no major change in our strategy, as we remain positive on technology and South Korea.

Contributors

- Overweight on South Korea: benefited from the robust performance of technology shares and the anticipation of growing liquidity as well as stronger market sentiment buoyed by upcoming South Korean ETF launches
- Overweight China-A shares: focused on technology, supported by rising momentum in technology localisation and the prospect of sanctions relaxation from Trump
- Overweight on technology, driven by resilient 2026 first-quarter earnings, expanding pricing power among technology hardware manufacturers, and rising long-term agreements extending beyond memory suppliers

Detractors

- Taiwan technology sector: performance was impacted by subsector rotation
- South Korean industrials sector: fundamentals remain strong, but since catalysts that drive the sector remains further out, the sector was overshadowed by the robust earnings of technology companies

Fund Performance

	Cumulative Performance %							Calendar Year Performance %					Volatility %
	YTD	3-Mo	6-Mo	1-Yr	3-Yr	5-Yr	Since Launch	2025	2024	2023	2022	2021	3-Yr (Annualised)
A USD (Acc)	36.2	13.9	41.4	64.7	101.5	48.3	123.3	24.1	10.7	7.4	-23.5	-0.9	16.7
A RMB Hgd (Acc)*	34.7	13.1	39.4	59.9	84.2	35.8	65.0	20.4	7.3	4.0	-23.3	1.3	16.6
A USD (Dis)	36.1	13.9	41.4	64.8	101.6	48.4	150.6	24.2	10.7	7.4	-23.5	-0.8	16.7
A HKD (Dis)	37.1	14.2	42.3	64.6	101.8	49.8	152.9	24.4	10.2	7.4	-23.4	-0.4	16.8
A AUD Hgd (Dis)*	35.9	14.0	41.2	63.9	94.7	39.1	78.7	23.1	9.2	5.2	-24.8	-1.3	16.7
A RMB Hgd (Dis)*	34.6	13.1	39.4	60.0	84.7	35.9	103.2	20.5	7.5	4.0	-23.5	1.4	16.6
A NZD Hgd (Dis)*	34.8	13.3	39.9	62.0	95.1	42.3	79.9	22.6	10.1	6.6	-24.0	-1.1	16.6
A EUR Hgd (Dis)*	35.2	13.4	40.0	61.2	91.0	34.5	41.9	22.2	8.8	4.8	-25.5	-2.0	16.6

*Hgd: Hedged.

Fund Code

	ISIN	Bloomberg
A USD (Accumulating)	HK0000122330	BEAPUAA HK
A RMB Hedged (Accumulating)	HK0000282605	BEARHA 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 31 May 2026 ° Month-end asset mixes may total greater than/less than 100% due to rounding.

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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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