

Important note:

1. BEA Union Investment Asian Bond and Currency Fund (the "Fund") is subject to general investment risk, Asian market concentration risk, emerging market risk and currency risk.
2. The Fund invests in debts securities and is subject to risks in interest rates, credit/counterparty, downgrading, below investment grade and non-rated securities, volatility and liquidity, valuation and sovereign debt and credit rating which may adversely affect the price of the debt securities.
3. 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.
4. 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.
5. 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.
6. 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.
7. Investors should not make an investment decision based solely on this material.

BEA Union Investment Asian Strategic Bond Fund ("ASB")

Morningstar Overall Rating+

Asian credits remain resilient despite persistent US-Iran tensions**Highlights:**

- Asian investment-grade bond spreads to be supported by supply shortage, high all-in yields
- Investment-grade bond spreads to stay range-bound
- Maintain a constructive but selective stance on Asian high-yield USD bonds

Fund Features

- The Fund aims to provide stable monthly income with capital appreciation through dynamic total return approach.
- Capture the full potential of Asia's growth with stability by prioritizing the portfolio with a majority of investment grade bonds.

Market Review & Outlook

The US economy remains resilient. Despite higher gasoline prices, retail sales and job growth in April beat market estimates while the unemployment rate held steady. However, risks of higher inflation persist in the coming months amid elevated oil prices and the closure of the Strait of Hormuz. Partially offsetting these inflationary pressures is the more dovish stance of new Fed Chair Kevin Warsh, who prefers to assess inflation using the trimmed-mean measure. Given rate hikes by other central banks such as the Reserve Bank of Australia, along with volatility in long-end bonds in countries including the UK due to political instability, long-end US Treasury yields may face upward pressure.

Asian investment-grade dollar bond spreads have tightened notably in April, supported by a shortage of new issuance, and absence of further escalation in the Middle East conflict. High-beta names, including Indian privately-owned enterprises, outperformed, along with Indonesian bonds, which had lagged year-to-date. Investors have largely digested war-related concerns, with market activity returning to normal. Oil-sensitive issuers continue to lag and have not yet fully recovered lost ground, but spreads across the rest of the market have tightened beyond pre-conflict levels, underscoring the resilience of Asia's credit market.

Looking ahead, we expect the Asian investment-grade bond market to gradually normalise, with new issue supply resuming over time. Subdued year-to-date new issuance will be supportive of spread performance. US Treasury movements are another factor affecting Asian investment-grade bonds. Volatility in Treasury yields — driven by oil prices and rate expectations — may lead to some spread widening. However, any investment-grade bond spread weakness should be manageable, supported by attractive all-in yields and continued yield-seeking flows. Overall, until new issuance picks up meaningfully, we expect spreads to remain range-bound and consolidate around current levels.

Asian high-yield dollar bonds also performed well, supported by an improved macro risk environment. Outperformers included commodity-linked credits from Indonesia, Mongolia, and India, as well as sovereign bonds from Pakistan and Sri Lanka, with the latter largely driven by oil price movements. India's high-yield financial bonds rebounded, while its renewables space remained steady. In China, the property market showed modest improvement, with primary and secondary sales volumes turning positive year-on-year.

Although the macro backdrop shows signs of improvement, market uncertainties remain elevated. We therefore maintain a constructive yet selective approach to Asian high-yield dollar bonds. We remain cautious on credits with direct exposure to ongoing risks, while upholding a preference for commodity-linked names given their relative resilience.

Portfolio Review

In April, the fund maintained its allocation between investment-grade and high-yield bonds, but added market beta within both spaces. For investment-grade bonds, the fund added BBB-rated laggards among South Korean corporates, while increasing exposure to China's technology, media and telecommunications names. For high-yield bonds, the fund reduced lower-yielding Indian names and rotated into Mongolian banks and Indonesian bank AT1s.

Contributor

- Overweight in Indian credits: we overweight select Indian investment-grade and high-yield names with higher yields and improving fundamentals
- Overweight in off-benchmark, higher-beta risks: amid improving macro sentiment, Japanese, Australian, and European AT1s contributed positively

Detractor

- Underweight in Indonesian sovereign bonds: the sector underperformed in March, but rebounded in April as market conditions improved. Due to the fund's underweight exposure to this sector, it missed the associated upside.

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) | 0.3 | -0.2 | 0.3 | 6.5 | 19.3 | 5.4 | 27.6 | 7.3 | 7.6 | 5.7 | -11.8 | -4.4 | 5.3 |
| A RMB (Acc) | -1.7 | -1.9 | -3.7 | 0.1 | N/A | N/A | 1.2 | 2.0 | 0.9# | N/A | N/A | N/A | N/A |
| A RMB Hgd (Acc)* | -0.5 | -0.9 | -1.0 | 3.4 | 7.3 | N/A | -2.9 | 4.0 | 2.8 | 2.5 | -11.6 | 0.6# | 5.1 |
| A USD (Dis) | 0.3 | -0.2 | 0.3 | 6.5 | 17.4 | 3.9 | 22.3 | 7.4 | 6.1 | 5.5 | -11.8 | -4.2 | 5.1 |
| A HKD (Dis) | 1.0 | 0.1 | 1.2 | 7.6 | 17.2 | 4.7 | 23.4 | 7.5 | 5.5 | 5.7 | -11.7 | -3.9 | 5.0 |
| A AUD Hgd (Dis)* | 0.4 | -0.3 | 0.2 | 5.9 | 13.9 | -1.0 | 10.9 | 6.5 | 4.9 | 3.8 | -12.6 | -4.8 | 5.1 |
| A RMB Hgd (Dis)* | -0.5 | -0.9 | -1.0 | 3.3 | 7.5 | -4.2 | 17.9 | 4.2 | 3.0 | 2.4 | -11.6 | -2.0 | 5.0 |

*Hgd: Hedged.

Fund Code

| | ISIN | Bloomberg |
|-----------------------------|--------------|------------|
| A USD (Accumulating) | HK0000319381 | BEABAU HK |
| A RMB (Accumulating) | HK0000775905 | BEAISA HK |
| A RMB Hedged (Accumulating) | HK0000775913 | BEASBAR HK |
| A USD (Distributing) | HK0000319340 | BEABAUD HK |
| A HKD (Distributing) | HK0000319357 | BEABAHD HK |
| A AUD Hedged (Distributing) | HK0000319365 | BEAAAH HK |
| A RMB Hedged (Distributing) | HK0000319373 | BEAARHD HK |

Source: Unless otherwise specified, all data sources are BEA Union Investment & MorningStar, as at 30 April 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 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. Issuer: BEA Union Investment Management Limited