

# BEA Union Investment RMB Core Bond Fund

As at 30 June 2021



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

- BEA Union Investment RMB Core Bond Fund (the "Fund") invests in debts or fixed income securities are exposed to interest rates, credit/counterparty, downgrading, volatility and liquidity, valuation and sovereign debt, credit rating risks and credit rating agency risk (for mainland China onshore debt securities) risks which may adversely affect the price of the debt securities.
- The Fund may invest in below investment grade, or rated BB+ or below by a China credit rating agency, or non-rated debt securities, which are subject to greater volatility and liquidity risks than higher-rated securities.
- The Fund's investments are concentrated in China and may be subject to high concentration risk and more volatility than that of funds having a more diverse portfolio of investment. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the China market.
- The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
- The Fund may be subject to the "Dim Sum" bond market risk and the risks associated with China interbank bond market, and the Fund is more susceptible to volatility and/or lower liquidity.
- 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.
- The Fund is subject to China tax risk and any increased tax liabilities on the Fund may adversely affect the Fund's value.
- 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.

## RATING & AWARDS



Morningstar Overall Rating<sup>1</sup>



Top Investment Houses  
in Asian G3 Bonds  
Rank 7 (Hong Kong)<sup>2</sup>



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



CNY Bond Fund (5 years)<sup>4</sup>

## OBJECTIVE

The Fund seeks to achieve income and long-term capital growth by investing in debt securities and other assets that are denominated in RMB and other currencies.

## FUND POSITIONING

- A RMB bond fund aims to capture stable dividends
- At least 70% in debt securities, bonds and deposits that are denominated or settled in RMB

## FUND DETAILS

Base Currency	RMB
Management Fee	1.00% p.a.
Preliminary Charge	Up to 5.00%
Realisation Charge	Currently waived
Dealing Frequency	Daily (HK business days)
Dividend Frequency	Monthly (Aims to provide a monthly dividend, dividend is not guaranteed and distributions may be paid out of income and/or capital*)
Record Date**	14 <sup>th</sup> day of every month
Ex-Dividend Date	One business day after Record Date
Fund Size	RMB192 million

\*\* If such day is not a business day, the record date will be the immediately preceding business day.

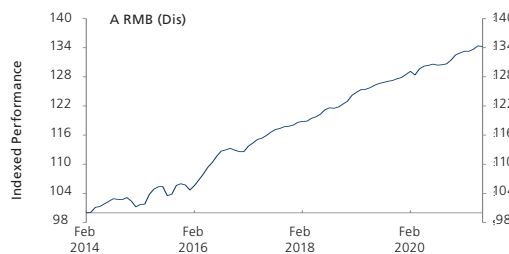
	NAV per Unit	Launch Date
A HKD (Dis)	HK\$89.73	28 Feb 2014
A RMB (Dis)	RMB95.83	28 Feb 2014
A USD (Dis)	US\$8.96	28 Feb 2014

## CODES

	ISIN	Bloomberg
A HKD (Dis)	HK0000176740	BEARCAH HK
A RMB (Dis)	HK0000176732	BEARCAR HK
A USD (Dis)	HK0000176757	BEARCAU 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 HKD (Dis)	2.0	12.9	13.3	25.6	27.1	10.5	2.1	-1.2	13.1	0.4	5.3
A RMB (Dis)	1.3	3.0	11.6	21.6	34.2	3.6	4.0	4.1	4.9	6.5	1.1
A USD (Dis)	1.9	12.6	14.4	25.5	27.1	11.1	2.6	-1.3	12.2	0.5	5.3



## DIVIDEND<sup>5</sup>

	Jun 2021	Dividend per Unit	Annualised Yield
A HKD (Dis)		0.36000	4.7%
A RMB (Dis)		0.39000	4.9%
A USD (Dis)		0.03600	4.7%

## GEOGRAPHICAL ALLOCATION

China	52.9%
Hong Kong, China	19.3%
Korea	6.5%
India	6.0%
Europe	4.4%
UAE	2.7%
Indonesia	2.4%
Others	2.3%
Qatar	2.2%
Cash	1.3%
Total	100.0%

## SECTOR ALLOCATION

1.3%	Cash
1.7%	Others
4.1%	Utilities
4.3%	Materials
5.7%	Consumer Discretionary
8.3%	Industrials
22.8%	Financials
24.2%	Properties
27.6%	Government
100.0%	Total

## TOP HOLDINGS

	Market	Sector	Weights
China Development Bank 4.20% 19/01/2027	China	Financials	3.4%
China Government Bond 3.48% 29/06/2027	China	Government	3.3%
Vanke Real Estate 3.45% 25/05/2024	China	Properties	3.3%
Hana Bank 3.01% 24/03/2024	Korea	Financials	3.2%
Bank of China Frankfurt 2.85% 28/04/2023	China	Financials	3.2%

## CURRENCY EXPOSURE

CNH	USD	CNY	Others
72.2%	22.1%	5.5%	0.2%

## SUMMARY STATISTICS

Average Credit Rating	A-
Investment Grade	74.3%
Non-Investment Grade	25.7%
Duration	2.8 years
Current Yield	4.1%

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1. © 2021Morningstar. All Rights Reserved. Data as of 30 June 2021. The rating is for A RMB (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. Source: From Refinitiv Lipper Awards, ©2021 Refinitiv. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this content without express written permission is prohibited. Performance for A RMB (Distributing) as at 31 December 2020.
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 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