

BEA Union Investment China Gateway Fund

As at 29 June 2018



- The investments of BEA Union Investment China Gateway Fund (the "Fund") are concentrated in China's equity securities and debt securities. This may result in greater volatility than a fund having a more diverse portfolio of investments. The Fund may also be subject to withholding and other taxes imposed in China.
- 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 interest rate, credit and liquidity risks, higher volatility and greater risk of loss of principal and interest than higher-rated debt securities.
- The Fund may invest in China A-Shares via Stock Connects, China interbank bond market via Foreign Direct Access Regime and/or Bond Connect. Such programmes are subject to regulatory risks and various risks such as quota limitation, volatility risk, liquidity risk, settlement and counterparty risk etc.
- 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. Any such distributions 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 these 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 freely convertible and is subject to exchange controls and restrictions. Any depreciation of RMB could adversely affect the value of investor's investment in the Fund.
- The Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose, and may result in significant losses.
- Investors should not make an investment decision based solely on this material.



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OBJECTIVE

The Fund seeks medium to long term capital growth and income through investing primarily in equity securities and/or debt securities, that are either (a) traded in China or (b) issued by entities incorporated in China or entities which have significant operations in or assets in, or derive significant portion of revenue or profits from China.

FUND POSITIONING

- A China mixed-asset fund with investment in Hong Kong stocks, A-shares, ADRs, and Chinese bonds
- Uses integrated channels, including the Shanghai and Shenzhen Stock Connects (northbound) and Bond Connect, to access China onshore securities

PERFORMANCE

Fund performance will be shown when the Fund has 6 month record.

GEOGRAPHICAL ALLOCATION / SHARE TYPES (EQUITIES)

Others (China) [^]	19.3%	
H Shares	13.7%	
A Shares	10.4%	
US	9.5%	
Red Chips	5.5%	

GEOGRAPHICAL ALLOCATION (BONDS)

	0.2%	Australia
	2.4%	Hong Kong
	6.7%	Others
	6.8%	Cash
	25.5%	China

FUND DETAILS

Base Currency	US\$
Management Fee	1.50% p.a.
Preliminary Charge	Up to 5.00%
Realisation Charge	Currently waived
Dealing Frequency	Daily (HK & PRC business days)
Fund Size	US\$120 million

[^]Exclude H Shares, Red Chips & A Shares

	NAV per Unit	Launch Date
A USD (Acc)	US\$9.02	31 Jan 2018
A USD (Dis)	US\$8.90	31 Jan 2018
A HKD (Dis)	HK\$89.31	31 Jan 2018
A AUD Hgd (Dis)*	AU\$8.86	31 Jan 2018
A RMB Hgd (Dis)*	RMB89.00	31 Jan 2018

TOP HOLDINGS

	Market / Shares	Asset	Weights
Tencent Holdings	Others (China)	Equity	8.8%
Alibaba Group	US	Equity	5.8%
China Construction Bank – H	H Shares	Equity	3.0%
Baidu Inc	US	Equity	2.5%
CNOOC Limited	Others (China)	Equity	2.5%

DIVIDEND¹

	June 2018	Dividend per Unit	Annualised Yield
A USD (Dis)		0.03300	4.2%
A HKD (Dis)		0.33000	4.2%
A AUD Hgd (Dis)*		0.04600	5.9%
A RMB Hgd (Dis)*		0.50000	6.4%

SECTOR ALLOCATION - EQUITIES

IT	20.7%
Financials	12.2%
Others	6.9%
Consumer Staples	5.5%
Consumer Discretionary	4.9%
Health Care	4.3%
Energy	3.9%

CODES

	ISIN	Bloomberg
A USD (Acc)	HK0000257458	BUCGAUA HK
A USD (Dis)	HK0000257441	BUCGAUD HK
A HKD (Dis)	HK0000257433	BUCGAHD HK
A AUD Hgd (Dis)*	HK0000375474	BUCGAAH HK
A RMB Hgd (Dis)*	HK0000375482	BUCGARH HK

SUMMARY STATISTICS - BONDS

Average Credit Rating	BBB
Investment Grade	57.7%
Non-Investment Grade	42.3%

*Hgd: Hedged.

1. 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: BEA Union Investment Management Limited

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.

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