

# BEA Union Investment China Gateway Fund

As at 31 January 2020



- The investments of BEA Union Investment China Gateway Fund (the "Fund") 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 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) which may adversely affect the price of the debt securities.
- The Fund is subject to equity markets risk such as changes in investment sentiment, economic conditions and issuer-specific factors which may adversely affect the Fund's value.
- The Fund invests in emerging markets and may be subject to higher liquidity and volatility risks.
- The Fund is subject to China tax risk and any increased tax liabilities on the Fund may adversely affect the Fund's value.
- 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 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 which are subject to regulatory risks and various risks such as quota limitation (for Stock Connects), volatility risk, liquidity risk, settlement and counterparty risk. Change in the relevant rules and regulations may have potential retrospective effect. When there is suspension in trading, the Fund's ability to invest in the China market may be adversely affected.
- 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 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 acquire financial derivative instruments for hedging and investment purposes. Given the leverage effect embedded in financial derivative instruments, the Fund may be exposed to significant losses.
- The Fund may invest in other funds that may not be regulated by the SFC. There is no guarantee that the underlying funds will also have sufficient liquidity to meet the Fund's redemption request.
- Investors should not make an investment decision based solely on this material.



Retail Hotline: (852) 3608 0321  
www.bea-union-investment.com

## 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

## 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\$43 million

	NAV per Unit	Launch Date
A USD (Acc)	US\$9.80	31 Jan 2018
A USD (Dis)	US\$8.98	31 Jan 2018
A HKD (Dis)	HK\$89.24	31 Jan 2018
A AUD Hgd (Dis)*	AU\$8.66	31 Jan 2018
A RMB Hgd (Dis)*	RMB87.98	31 Jan 2018

## 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	BUCGAH HK
A RMB Hgd (Dis)*	HK0000375482	BUCGARH HK

## PERFORMANCE

	Cumulative Performance %			Calendar Year Performance %	
	YTD	1 Year	Since Launch	2019	2018
A USD (Acc)	3.4	15.7	-2.0	19.9	-20.9 <sup>1</sup>
A USD (Dis)	3.4	15.7	-2.0	19.8	-20.9 <sup>1</sup>
A HKD (Dis)	3.0	14.5	-2.6	19.3	-20.8 <sup>1</sup>
A AUD Hgd (Dis)*	3.2	13.5	-4.5	17.4	-21.2 <sup>1</sup>
A RMB Hgd (Dis)*	3.3	15.3	-1.6	19.6	-20.3 <sup>1</sup>



## DIVIDEND<sup>2</sup>

January 2020	Dividend per Unit	Annualised Yield
A USD (Dis)	0.02900	4.0%
A HKD (Dis)	0.29000	4.0%
A AUD Hgd (Dis)*	0.02300	3.3%
A RMB Hgd (Dis)*	0.34000	4.8%

## GEOGRAPHICAL ALLOCATION BY LISTING

A Shares	24.5%	Others	4.7%
Hong Kong	23.6%	Cash	10.3%
US	11.4%	China	23.4%
Taiwan	2.1%		

## GEOGRAPHICAL ALLOCATION (BONDS)

## TOP HOLDINGS

	Market / Shares	Asset	Weights
Tencent Holdings Ltd	China	Equity	9.9%
Alibaba Group Holding Ltd	China	Equity	6.9%
CNOOC Ltd	China	Equity	3.4%
China Construction Bank Corp	China	Equity	2.9%
CIFI Holdings Group Co Ltd	China	Equity	2.4%

## SECTOR ALLOCATION - EQUITIES

Consumer Discretionary	14.2%
IT	12.5%
Industrials	8.2%
Health Care	7.2%
Materials	4.9%
Communication Services	4.3%
Others	4.1%
Consumer Staples	3.1%
Energy	3.1%

## SUMMARY STATISTICS - BONDS

Average Credit Rating	BB-
Investment Grade	7.9%
Non-Investment Grade	92.1%

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\*Hgd: Hedged.

1. Since launch till 31 December of the same year.

2. 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