

**Important note:**

1. BEA Union Investment Hong Kong Growth Fund (the "Fund") provides investors with long term capital growth in HK dollar terms through investing in a diversified portfolio consisting primarily of securities of companies, either listed or with operations or interests principally in Hong Kong.
2. The Fund invests in a single market which may be subject to higher concentration risk than funds which invest in a number of different markets.
3. Investors should not make an investment decision based solely on this material.

## BEA Union Investment **Hong Kong Growth Fund**

### Increased Exposure in Financial Sector as Stock Market Remains Active

*Highlights:*

- 1. Third-quarter results are encouraging, particularly in the internet sector**
- 2. Exposure to the financial sector increased as market turnover is expected to continue to rise**
- 3. The Fund is up 36.3%<sup>1</sup> YTD and 31.0%<sup>1</sup> in 1 year**

#### Fund Features

- The Fund's strategy combines top-down macro-economic analysis for sector allocation, and bottom-up securities selection.
- The Fund invests in securities of companies, either listed in or with operations or interest principally, in Hong Kong.

#### Market Review and Outlook

- Third-quarter corporate earnings were strong across most sectors, particularly the internet sector.
- Authorities in Mainland China continue to implement deleveraging measures in the financial sector. The most recent efforts are focused on the asset management industry and micro-lenders.
- Southbound inflows from China into the Hong Kong stock market continue, but deleveraging measures may offset the positive effect.

#### Investment Strategy

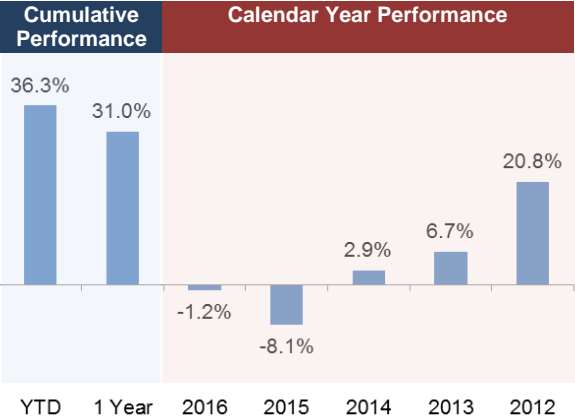
- We expect that market turnover will continue to rise, and the Fund has therefore increased its exposure in the financial sector.
- The Fund reduced its exposure in the IT sector, especially stocks trading at high valuations, in order to lock-in profit.
- Stricter environmental controls in the Mainland are likely to weigh on industrial production, leading the Fund to further reduce its exposure in the industrial sector.



**Fund Special Report**

**Fund Performance**

Performance<sup>1</sup> : Class R



Class R launched on 10 December 2004.

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 If you would like to stay informed of the market development and our latest investment strategy, please feel free to register as a member of BEA Union Investment through the link below:

<http://www.bea-union-investment.com/member-registration>

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## Fund Code

	ISIN	Bloomberg
Class R	HK0000065125	BEACHKG HK

Source of the fund data: BEA Union Investment Management Limited, as at 30 November 2017.

1. Source: Lipper, as at 30 November 2017. The quoted return is for Class R launched on 10 December 2004. Performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.

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 information contained in this document is based upon information which BEA Union Investment Management Limited considers reliable and is provided on an "as is" basis. This document does not constitute an offer, recommendation or solicitation to buy or sell any securities or financial instruments. 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 and the website have not been reviewed by the SFC in Hong Kong.

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