

# BEA Union Investment China A-Share Equity Fund

As at 31 July 2019



- BEA Union Investment China A-Share Equity Fund (the "Fund") invests in emerging markets may be subject to higher liquidity and volatility risks. While the Fund invests in a particular market or sector may be subject to higher concentration risk than funds following a more diversified policy.
- The Fund may enter into futures contracts and currency forward contracts for hedging and investment purposes. Given the leverage effect embedded in futures and currency forward contracts, the Fund may be exposed to significant losses.
- The Fund will invest at least 70% of its assets in China A-Shares, primarily through a QFII which is subject to applicable regulations imposed by the PRC authorities, including among others, repatriation restrictions, which may subject the Fund to significant liquidity risk. In addition to the use of the QFII quotas, direct exposure to certain eligible China A-Shares can be achieved via the Stock Connects, which is subject to different risks, including quota limitations, clearing and settlement risk. Investment in the Fund involves significant risks relating to the PRC, including, among others, emerging market risks, social, political and regulatory risks. Given the significant risks associated with investing in China A-Shares, the Fund may be exposed to significant losses.
- The Fund may be subject to the risks associated with changes in the PRC laws and regulations, including PRC tax laws, and such changes may have retrospective effect and adversely impact the Fund. The manager currently intends to make provisions for any PRC taxes payable by the Fund on (i) interests from RMB Bonds and (ii) dividends derived from PRC Equity Securities (including China A-Shares acquired through the Stock Connect), at a rate of 10%, if the relevant tax is not withheld at source. Such provisions may be excessive or inadequate to meet the actual tax liabilities. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Fund's assets, the Fund's asset value will be adversely affected.
- Investors should not make an investment decision based solely on this material.



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Morningstar Overall Rating<sup>1</sup>

## OBJECTIVE

The Fund seeks to achieve long-term capital growth by investing primarily in a diversified portfolio of securities of companies which have their principal place of business or key assets located in China or which derive a substantial part of their revenue from

## FUND STRATEGIES

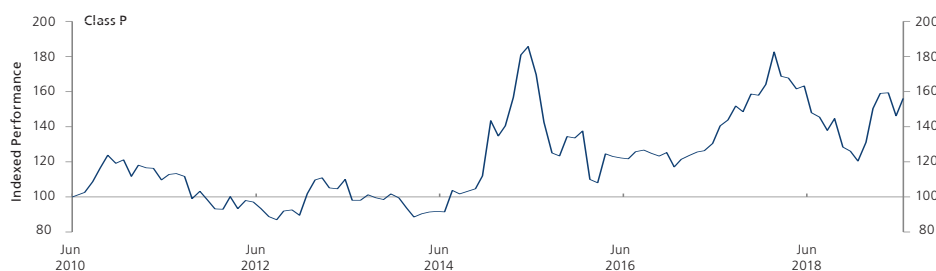
- Combine top-down macro-economic analysis for sector allocation and bottom-up securities selection
- At least 70% in China A-shares listed on Mainland China
- Maximum 30% in other securities, including China B-shares and China H-shares

## FUND DETAILS

Base Currency	US\$
NAV per Unit	Class A — US\$12.76 Class P — US\$15.49
Launch Date	Class A — 17 Dec 2010 Class P — 8 Jun 2010
Management Fee	1.75% p.a.
Preliminary Charge	Up to 5.00%
Realisation Charge	Class A — Currently waived Class P — Nil
Dealing Frequency	Daily (HK & PRC business days)
Fund Size	US\$26.9million

## PERFORMANCE<sup>2</sup>

	Cumulative Performance %					Calendar Year Performance %				
	YTD	1 Year	3 Years	5 Years	Since Launch	2018	2017	2016	2015	2014
Class A	29.3	7.0	23.9	50.1	27.6	-26.6	40.3	-14.9	-4.3	44.4
Class P	29.3	7.0	23.8	50.1	55.2 <sup>3</sup>	-26.6	40.2	-14.9	-4.2	44.5



## SHARES TYPES

A Shares	95.4%	
Cash	4.6%	

## SECTOR ALLOCATION

1.7%	Others
2.9%	Energy
3.5%	Properties
4.6%	Cash
6.4%	Consumer Discretionary
8.6%	Industrials
13.3%	Health Care
16.7%	Consumer Staples
19.2%	IT
23.1%	Financials

## CODES

	ISIN	Bloomberg
Class A	HK0000074176	BEAUIA HK
Class P	HK0000076130	BEAUIP HK

## TOP HOLDINGS

	Sector	Weights
Ping An Insurance	Financials	7.3%
China International Travel Service	Consumer Discretionary	4.8%
Jiangsu Hengrui Medicine	Health Care	4.6%
Aier Eye Hospital Group	Health Care	3.7%
LONGi Green Energy Technology	Energy	3.7%

1. © 2019 Morningstar. All Rights Reserved. Data as of 31 July 2019. The rating is for Class A.

2. With effect from 30 April 2015, the dealing frequency of the Fund has changed from monthly to daily. Performance involving any dates before 30 April 2015 is calculated using the month-end indicative price. Performance data derived using these parameters may differ from that based on the monthly Fund valuation as at the close of the dealing day, i.e. the third Friday of each calendar month (or the immediately following Hong Kong and PRC business day if the third Friday did not fall on such a date).

3. Class P was launched on 8 June 2010. Since launch performance of Class P is calculated from 11 June 2010 when the conversion of fund assets from USD into RMB was completed.

Source: BEA Union Investment Management Limited

Performance is calculated in USD 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 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. Only Class A and Class B have been authorised for sale to the retail public in Hong Kong. Class I and Class P are only available to professional investors (as defined in the Securities and Futures Ordinance) on a private placement basis. However, such authorisation does not imply official recommendation of the Fund. This material has not been reviewed by the SFC in Hong Kong.

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