

Important note:

1. BEA Union Investment China Gateway Fund (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.
2. The Fund's investments 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.
3. 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.
4. 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.
5. 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.
6. 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.
7. 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.
8. The Fund may use derivative instruments for hedging purposes which may not achieve the intended purpose, and may result in significant losses.
9. Investors should not make an investment decision based solely on this material.

BEA Union Investment China Gateway Fund ("CGF")

Chinese Property Stocks Look Attractive



Highlights:

1. Chinese IT sector outperformed on smartphones sales boost
2. Valuation of Chinese property stocks look attractive
3. The Fund reduced its duration to realise gains in the bond portfolio

Fund Features

- A one-stop solution for investing in Chinese stocks and bonds. Access to onshore and offshore investment channels, providing a way to fully capture investment opportunities in Chinese stocks and bonds.
- Flexible allocation in stocks and bonds to balance risk and return.

Market Review and Outlook

Equities

- In September, Chinese onshore and offshore equities edged up slightly. The market rebounded strongly on back of global central banks easing in early September. However, the market retreated in the later part of the month as a result of profit taking by investors and hiccups in trade negotiation.
- In terms of sectors, IT outperformed on better than expected sales figures of smartphones. Mainland's independent power producers (IPPs) underperformed, weighed by the news of power tariff liberalization. The healthcare sector also underperformed due to the concerns on price cut ahead of national drug procurement.
- Hong Kong equity fell slightly in September mainly due to the prolonged social unrest. In terms of sectors, Hong Kong developers held up relatively better while landlords remained weak.

Bonds

- In September, overall market stabilized following the weakness seen in August. Investor sentiment was supported by rate cuts in a number of countries and the resumption of meetings between U.S. and Chinese officials.
- In terms of sectors, Chinese oil names outperformed as a result of oil price spike, while the remaining Chinese industrial sector was hit by idiosyncratic risk. The performance of Chinese property sector was diverged; the higher rated names outperformed the higher beta names due to positive rating actions.

Investment Strategy

Equities

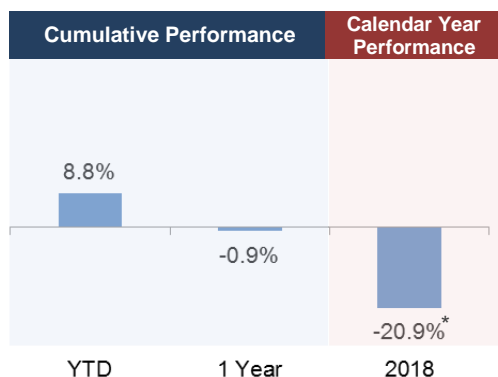
- The Fund added Chinese properties as their valuations look attractive. We also added technology names which could benefit from import substitution and 5G equipment upgrade. We have taken profit from consumer staples, healthcare and solar sectors.

Bonds

- The Fund selectively reduced its duration in order to realise gains in U.S. Treasury yield compression in the past few months.
- We have been picking up bonds in the primary market and increased allocation to high yield names. The Fund will continue to diversify across different sectors.

Fund Performance and Dividend

Performance¹ : A USD (Distributing)



Dividend

| September 2019 | Dividend per Unit | Annualised Dividend Yield ² |
|-----------------------------|-------------------|--|
| A USD (Distributing) | US\$ 0.030 | 4.4% |
| A HKD (Distributing) | HK\$ 0.300 | 4.4% |
| A AUD Hedged (Distributing) | AU\$ 0.026 | 4.0% |
| A RMB Hedged (Distributing) | RMB 0.310 | 4.7% |

* Since launch till 31 December of the same year. A USD (Distributing) launched on 31 January 2018.

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>

Fund Code

| | ISIN | Bloomberg |
|-----------------------------|--------------|------------|
| A USD (Accumulating) | HK0000257458 | BUCGAUA HK |
| A USD (Distributing) | HK0000257441 | BUCGAUD HK |
| A HKD (Distributing) | HK0000257433 | BUCGAHD HK |
| A RMB Hedged (Distributing) | HK0000375482 | BUCGARH HK |
| A AUD Hedged (Distributing) | HK0000375474 | BUCGAH HK |

Source of the fund data: BEA Union Investment Management Limited, as at 30 September 2019.

1. Source: Lipper, as at 30 September 2019. The quoted NAV is for A USD (Distributing) launched on 31 January 2018, performance is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is re-invested.
2. Annualised dividend yield = (dividend of September x 12) / last month end NAV x 100%. The manager may at its discretion make distributions from income and/or capital in respect of the distributing classes of the Fund. Such distribution may result in an immediate reduction of the net asset value per unit. Dividend only applies to distributing classes and is not guaranteed. Past dividend record is not indicative of future dividend likely to be achieved. 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 above. You should read the relevant offering document (including the key facts statement) of the Fund for further details including the risk factors.

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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