

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 is subject to general investment risk, China market concentration risk, equity market risk, asset allocation risk, risks associated with stock connects, risks associated with China interbank bond market, China tax risk, risks of investing in other funds, emerging market risk and currency risk.
3. The Fund invests in debts securities and is subject to risks in interest rates, credit/counterparty, downgrading, below investment grade and non-rated securities, volatility and liquidity, valuation and sovereign debt, credit rating and credit rating agency risk, which may adversely affect the price of the debt securities.
4. 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. Such distribution may result in an immediate reduction of the net asset value per unit.
5. 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.
6. 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.
7. The Fund may use financial derivative instruments for hedging and investment purposes which may not achieve the intended purpose and may result in significant losses. Risks associated with derivative instruments include counterparty/ credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk.
8. Investors should not make an investment decision based solely on this material.

BEA Union Investment **China Gateway Fund (“CGF”)**

A-shares and HK Equities Surged Hoping for Accelerating Economic Recovery

*Highlights:*

1. **The positive vaccine development stimulates market sentiment.**
2. **Market added laggards with increased risk appetite**
3. **Asia credit spread continued to grind tighter**

Fund

- Invests in a mixture of Hong Kong equities, A-shares, ADRs and China bonds to offer one-stop investment solution.
- Flexible allocation in stocks and bonds to balance short term risk and capture long term growth potential.

Market Review and OutlookEquities

- Both onshore and offshore markets surged in November. The most prominent market driver has been the Biden victory, in addition to the vaccine development that herald an accelerating economic recovery.
- Hong Kong equity market had a strong run in November, riding the vaccine optimism wave despite the recent resurgence of the local outbreak. Macau gaming, banks and real estate outperformed, while communication services and healthcare underperformed.
- The Growth/Momentum camps were dragged by internet giants as policymaker released a draft of anti-trust rules that may cloud companies’ growth prospect.

Bonds

- Asia credit spread continued to grind tighter in November with positive vaccine news. India and Indonesia outperformed the most in terms of spread.
- In high yield space, Indonesia corporate and property names outperformed the most driven by their attractive yield, improving commodities prices and good home sales. India's metal and mining names were also well chased especially on steel names given strong sales volume recovered domestically.

Investment Strategy

Equities

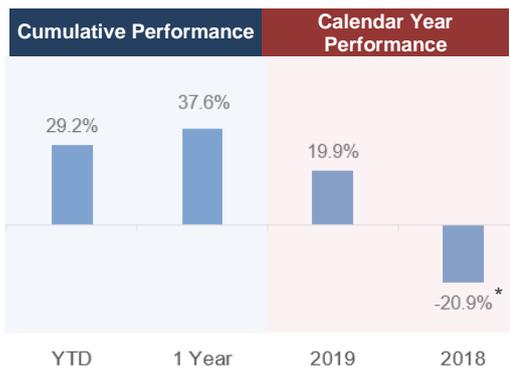
- We keep our constructive market view on the back of the solid domestic demand recovery momentum supported by positive vaccine development, strong exports trend, favourable liquidity and monetary policies. We continue to focus on growth names, supplemented by cyclical and recovery plays.
- The Fund maintains a more balanced portfolio mix between growth and cyclical/recovery names. We maintain our stance of overweight China and underweight Hong Kong, considering the recent spike in COVID-19 new cases in Hong Kong could dampen the economic recovery trend.
- Near-term market volatility should remain given several uncertainties in the coming weeks including the U.S. fiscal stimulus package in terms of scale and timing, vaccine news flow and the U.S. Presidential transition.

Bonds

- The Fund will stay low in cash level, given the near-term inflow to the emerging market and a more cleared economic revival scenario globally. The pricing in Asia high yield credit has been well chased and certain names have exceeded their peak before the pandemic.
- We remain cautious on names with high refinancing risk and weak funding channel.

Fund Performance and Dividend

Performance¹ : A USD (Distributing)



Dividend

November 2020	Dividend per Unit	Annualized Dividend Yield ²
A USD (Distributing)	US\$ 0.041	4.6%
A HKD (Distributing)	HK\$ 0.410	4.6%
A AUD Hedged (Distributing)	AU\$ 0.039	4.6%
A RMB Hedged (Distributing)	RMB 0.600	6.9%

* 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	BUCGAAH HK

Source of the fund information: BEA Union Investment Management Limited, as at 30 November 2020.

1. Source: Lipper, as at 30 November 2020. 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. Annualized dividend yield = (dividend of November x 12) / last month end NAV x 100%. Please refer to dividend notice available on website for dividend composition information and details. 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 authorized by the Securities and Futures Commission ("SFC") in Hong Kong. SFC authorization 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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