

Important note:

1. BU China Gateway Fund (“the Fund”) is a sub-fund of BU Investment Series OFC (“the Company”), which is a public open-ended fund company (“OFC”) (registration number OF11) regulated under the laws of Hong Kong, with variable capital and limited liability and segregated liability between sub-funds.
2. 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.
3. 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, Mainland China tax risk, risks of investing in other funds, emerging market risk and currency risk.
4. 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.
5. The directors 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 shareholder’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 share.
6. In terms of currency hedged class shares, adverse exchange rate fluctuations between the base currency of the Fund and the class currency of the currency hedged class shares may result in a decrease in return and/or loss of capital for shareholders. Over-hedged or under-hedged positions may arise and there can be no assurance that the currency hedged class shares will be hedged at all times or that the manager will be successful in employing the hedge.
7. 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.
8. 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.
9. Investors should not make an investment decision based solely on this material.

Asian investment specialist



BU China Gateway Fund (“CGF”)

Dynamic allocation in Chinese equities and bonds to capture the potential growth of the new economy

Flexible allocation aiming to foster long term return

Ranked high in its own category in terms of year-to-date and past 2 years’ performance¹#

3 major investment themes for equities

Domestic consumption, new energy application, positions in cyclical stocks

Aims to provide monthly dividends

Dividends are not guaranteed, and distributions may be paid out of income and/or capital (see important note 5)

Annualized dividend yield as of June²#:

USD	5.5%
HKD	5.5%
RMB hedged	7.8%



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 prospectus of the fund. Investors should also read the prospectus 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 shares 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 company website have not been reviewed by the SFC in Hong Kong.

Issuer: BEA Union Investment Management Limited

The “Predecessor Fund” of the Fund is BEA Union Investment Series - BEA Union Investment China Gateway Fund, see # for more details.

1. Source: Morningstar Asia. The mentioned performance ranking refers to that of the “Predecessor Fund”, which compares against the annualized performance (total return is calculated in USD) of funds authorized by SFC (authorization does not imply recommendation) which are categorized under the Morningstar Greater China Allocation Fund Category with performance record including 2019, 2020, year-to-date (1 January to 30 June 2021) and since inception (since launch till 30 June 2021), applicable to page 3. Past performance of the “Predecessor Fund” : 2020: 34.2%, 2019: 19.8%, 2018: -20.9% (since launch till 31 December of the same year); year-to-date: 5.1%. Class A USD (Accumulating) of the “Predecessor Fund” was launched on 31 January 2018.
2. Source: BEA Union Investment, as of 30 June 2021. This refers to the dividend distribution of the “Predecessor Fund”. Annualized dividend yield = (dividend of the current month x 12) / last month end NAV x 100%. Please refer to 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. Please note that a positive distribution yield does not imply a positive return.

China couldn't be a missing piece of your investment portfolio

Economic growth being robust for the second half of the year



- ▲ The economy is recovering in a stable and healthy pace. GDP recorded 7.9% growth in Q2 while 12.7% for the first half of the year³.
- ▲ Shipping and infrastructure will be the key drivers of growth for the second half of the year.

3. Source: BEA Union Investment, National Bureau of Statistics, 19 July 2021.

Rate cut by PBOC injects liquidity into the market



- ▲ People's Bank of China (PBOC) announced to lower the required reserve ratio in July posing positive impact to the financial market.

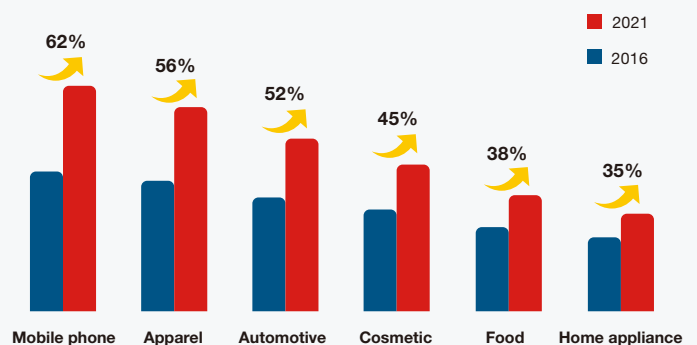
Focuses on 3 investment themes for equities



Domestic consumption

- ▲ The expansion of middle to high income groups in China drives the demand for mid to high-end services such as health care, cosmetic surgery, beauty products and services and white wine etc.
- ▲ "China chic" is getting popular among youngsters and mass public in China. Its rising quality and innovativeness boosts the marketability of the national brands. Local sportswear, dairy products and beer are the key beneficiaries.

The change of national brands' awareness in China



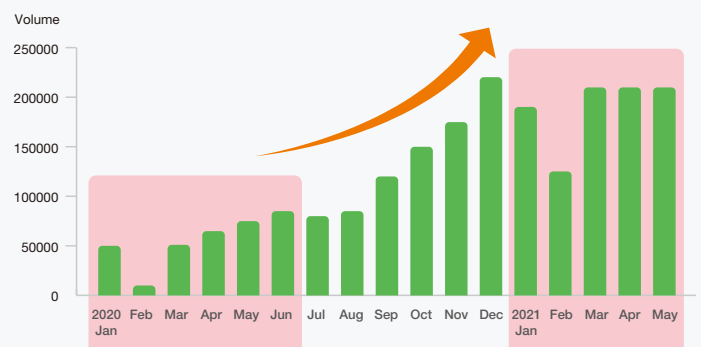
Source: www.xinhuanet.com, 10 May 2021.



The application of new energy

- ▲ The production volume of electric vehicles in the first half of this year has recorded a 3 times YOY growth (see the chart on the right). More local brands are entering the market with new technologies introduced. The industry is under a high growth cycle and faces less policy risk. We are optimistic on the future growth of the industry.

China's production volume of electric vehicle in 2020 - 2021



Source: <https://finance.sina.com.cn>, 14 June 2021.



Positions in cyclical stocks

- ▲ Cyclical stocks e.g. shipping, oil and commodities etc. are favoured in a gradual recovery of China and other economies in the world. Our investment team will consider to increase its holdings on attractive valuations.



Fund Features

The fund has been performing well since its launch in 2018 and its return is leading other funds in the same category^{1,4,#}

	Year-to-date	2020	2019	Since inception
Return of the fund (A USD Accumulating)	5.1%	34.2%	19.8%	33.7%
Quartile ranking among peer funds	1	1	1	1

Timely adjusts equity and bond mix

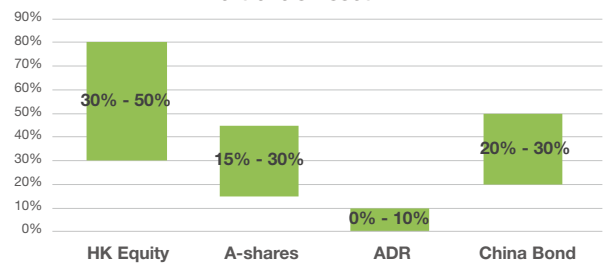
- The equity to bond ratio of the Fund in general: **Equity: 70%; Bond: 30%.**
- To capture the market upside in equities as well as the fixed income opportunities.



Invests broadly across Chinese stocks to seek alpha

- Dynamically allocates in **China A-shares, Hong Kong equities, ADR, China bond market** to capture the potential growth in individual markets.

Portfolio's Asset Mix

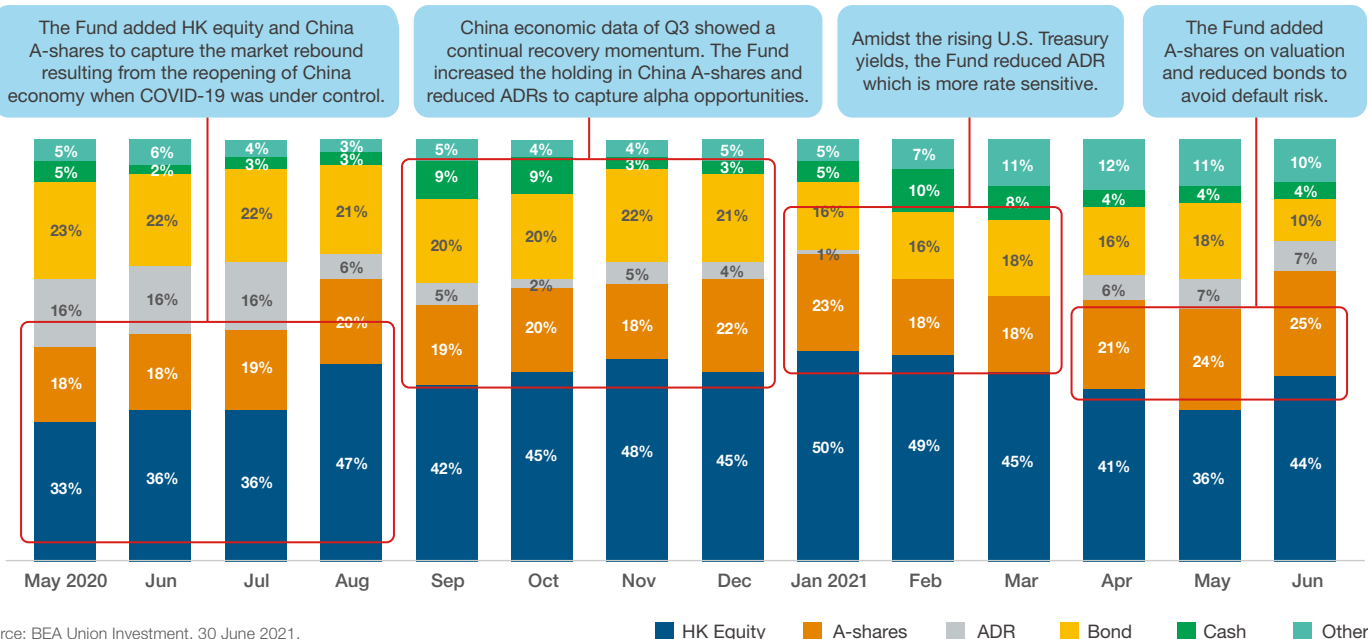


Source: BEA Union Investment. For illustration purposes only. The Fund's actual investments may differ from the above model portfolio.

Investors can enjoy investment return with dividend payment

- Through the **active trades** conducted by our investment professionals with the expertise in China equity and bond markets, **additional return** and **dividend payment capacity** can be achieved.
- The Fund offers dividend yields at 5.5% (A USD distributing) and 7.8% (A RMB Hedged distributing)^{2,#}.

Dynamic allocation between China equity and bond markets to capture investment opportunities and mitigate market volatilities



Source: BEA Union Investment, 30 June 2021.

■ HK Equity ■ A-shares ■ ADR ■ Bond ■ Cash ■ Others

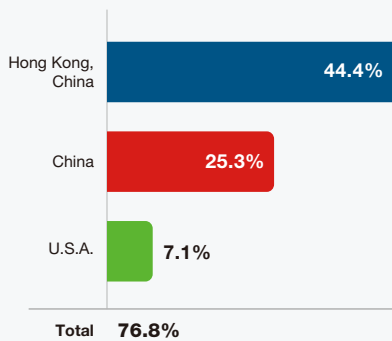
4. Source: Morningstar Asia, as of 30 June 2021. Quartile ranking is based on the percentile ranking greater than 0 and less than or equal to 25 as the first quartile, greater than 25 and less than or equal to 50 as the second quartile, and so on. Class A USD (Accumulating) of the "Predecessor Fund" was launched on 31 January 2018, its full year performance in 2018 is not ranked by Morningstar Asia.

Performance#

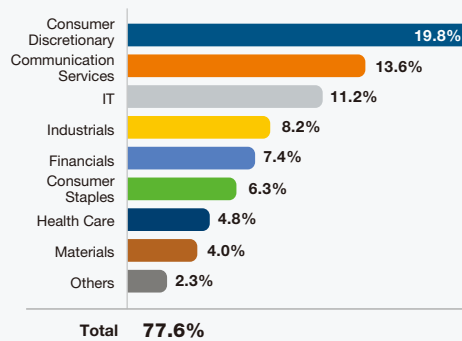
		Cumulative Performance (%)				Calendar Year Performance (%)			Launch Date (dd/mm/yy)
		YTD	1 Year	3 Years	Since Launch	2020	2019	2018	
A USD	Accumulating	5.1	25.5	48.2	33.7	34.2	19.8	-20.9 ⁵	30/9/2021
A USD	Distributing	5.1	25.5	48.2	33.7	34.3	19.9	-20.9 ⁵	30/9/2021
A HKD	Distributing	5.2	25.7	46.6	32.7	33.4	19.3	-20.8 ⁵	30/9/2021
A AUD (Hedged)	Distributing	4.4	24.3	40.9	27.3	31.8	17.4	-21.2 ⁵	30/9/2021
A RMB (Hedged)	Distributing	6.1	27.8	50.4	36.7	35.2	19.6	-20.3 ⁵	30/9/2021

Asset Allocation

Geographical Allocation (Equities)



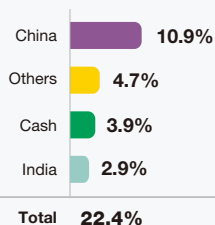
Sector Allocation (Equities)



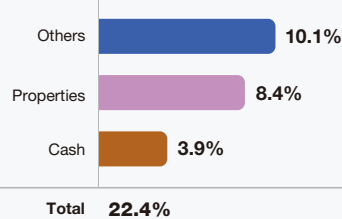
Key Holdings

Key Holdings	Weights
Tencent	7.7%
Alibaba	6.3%
Meituan Dianping	4.4%
JD.com	2.7%
Luxshare Precision Industry	2.6%

Geographical Allocation (Bonds)



Sector Allocation (Bonds)



Summary Statistics - Bonds

Average Credit Rating	BB
Investment Grade	24.3%
Non-Investment Grade	75.7%

Fund Details

Base Currency	US\$	Management Fee	1.50% p.a.
Preliminary Charge	Up to 5.00%	Realization Charge	Currently waived
Dealing Frequency	Daily (Hong Kong business days)		
Dividend Frequency	Monthly (aims to provide a monthly dividend which is not guaranteed and distributions may be paid out of income and/or capital) see important note 5		
Record Date ⁶	14th day of the month following the corresponding one-month period		
Ex-Dividend Date	One business day after the Record Date		

Source: Lipper, BEA Union Investment, as of 30 June 2021. Performance of the "Predecessor Fund" is calculated in the respective class of denominated currencies on a NAV to NAV basis. Gross income is reinvested. Past performance is not indicative of future performance.

5. Since launch of the "Predecessor Fund" till 31 December of the same year.

6. If that day is not a business day, the record date will be the immediately preceding business day.

The Fund was launched on 30 September 2021 upon the restructuring of BEA Union Investment Series - BEA Union Investment China Gateway Fund (the "Predecessor Fund", with inception on 31 January 2018) to the Fund. The performance / the dividend record / Morningstar rating (if applicable) shown on or before the date of the restructuring has been simulated based on the respective information of a unit class of Predecessor Fund with the same investment objectives, risk profiles, and materially the same fee structures and investment policies of the respective share class of the Fund.

