ChinaAMC China Focus Fund
Fund Factsheet

华夏基金(香港)有限公司
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

As of 30 Aug 2024 **37/F, Bank of China Tower, 1 Garden Road, Hong Kong**

Investment involves risks, including the loss of principal. The price of units or shares of the Funds may go up as well as down. Past performance is not indicative of future results. The value of the Funds can be extremely volatile and could go down substantially within a short period of time. You should read the Fund's Placing Memorandum or Explanatory Memorandum and Product Key Facts Statement for details, including risk factors. Investors should not base investment decisions on this marketing material alone. Please note:

- The Fund seeks to take investment exposure to companies in or have significant business exposure to China. Investment in China-related companies and in Chinese markets may involve (i) heightened political, tax, economic, foreign exchange, liquidity and regulatory (including the QFII policy) risks, compared to more developed economies or markets; and (ii) concentration risk which may result in greater volatility than broad-based investments. The China A Share market is also unstable, subject to risks of stock suspension, government intervention and foreign investment restrictions.
- The Fund will obtain exposure to the A Share market, partly or fully by investing into access products and will be exposed to the counterparty risk of the issuer of the access products. The availability of access products is limited by applicable regulations in China, and as a result the cost of investment is subject to market supply and demand forces. Where the supply is low relative to the demand, acquiring access products may involve a higher cost or a premium.
- The Fund is subject to risks associated with the Stock Connect, such as change of relevant rules and regulations, quota limitations, suspension of the Stock Connect and information technology limitation. In the event that the Fund's ability to invest in A Shares through the Stock Connect on a timely basis is adversely affected, the Manager will rely on A Share access products investment.
- The Fund will invest in A Share ETFs and is subject to the fees and charges and the risk of tracking errors of the relevant A Share ETFs. If the Fund invests in synthetic ETFs, it will also subject to risks related to derivative instruments.
- There are risks and uncertainties associated with the current PRC tax laws, regulations and practices in respect of capital gains (which may have retrospective effect). Possible changes on the actual applicable tax rates imposed by the SAT and possible expiration of the current exemption of corporate income tax on capital gains may increase the Fund's tax liability and adversely affect the Fund's NAV.
- The Fund will hold investments denominated in currencies different to the base currency of the Fund, meaning the Fund will be at risk to adverse movements in the foreign currency rates.

▲ Investment Objective

The Fund seeks to provide investors with long term capital growth through exposure to China-related companies by investing in equities and equity related instruments.

▲ Fund Performance[1]

▲ Fund Information[2]

Legal Structure	Hong Kong domiciled umbrella structure unit trust
Investment Manager	China Asset Management (Hong Kong) Limited
Inception Date	10 December, 2010
Fund Size	USD 15.15 million
Base Currency	USD
Available Dealing Currencies	USD/EUR/GBP/AUD/SGD/HKD
Dealing Frequency	Daily
Trustee	Cititrust Limited
Custodian	Citibank, N.A. (Hong Kong branch)
Management Fee	1.8% p.a.
Subscription Charge:	Up to 5%
Performance Fee:	10% of appreciation in the NAV per unit during a performance period above the high watermark of the relevant class of units

	USD unit	**AUD unit**	**EUR unit**	**HKD unit**	**SGD unit**
Fund Price	USD10.958	AUD14.844	EUR 13.343	HKD 11.231	SGD 11.191
Bloomberg Ticker	CACFUSD HK	CACFAUD HK	CACFEUR HK	CACFHKD HK	CACFSGD HK
ISIN Number	HK0000352960	HK0000352911	HK0000352929	HK0000352945	HK0000352952

▲ Cumulative Return[1]

	1 Month	3 Month	6 Month	1 Year	Since Inception[3]	Annualized-Since Inception[3]
Fund (USD)	-2.34%	-4.47%	+1.11%	-1.76%	+9.58%	+0.67%
Fund (AUD)	-6.01%	-6.37%	-2.97%	-6.23%	+48.44%	+2.92%
Fund (EUR)	-4.53%	-6.31%	-1.16%	-3.67%	+33.43%	+2.12%
Fund (HKD)	-2.48%	-4.75%	+0.74%	-2.27%	+12.31%	+0.85%
Fund (SGD)	-4.83%	-7.89%	-1.99%	-5.18%	+11.91%	+0.82%

▲ Yearly Return[1]

	2019	2020	2021	2022	2023	2024YTD
Fund (USD)	+16.79%	+27.63%	-6.11%	-28.72%	+2.31%	-3.37%
Fund (AUD)	+16.90%	+16.27%	+1.17%	-23.56%	+1.67%	-2.82%
Fund (EUR)	+18.97%	+17.46%	+2.38%	-24.04%	-1.16%	-3.56%
Fund (HKD)	+16.22%	+27.23%	-4.58%	-28.64%	+2.36%	-3.47%
Fund (SGD)	+14.97%	+25.75%	-2.71%	-29.08%	+0.62%	-4.51%

[1]Past performance information is not indicative of future performance. Investors may not get back the full amount invested. The computation basis of the performance is calculated on NAV-to-NAV, with dividend reinvested. Since 28 July 2017, the Manager of the Fund changed from Citigroup First Investment Management Limited to China Asset Management (Hong Kong) Limited and the Trustee of the Fund changed from Cititrust (Cayman) Limited to Cititrust Limited. The performance of the Fund prior to 28 July 2017 was achieved under circumstances that no longer apply.

[2]Please refer to the Explanatory Memorandum for full product disclosure including fees.

[3]Calculated since the inception date of respective share class.

Source: China Asset Management (Hong Kong) Limited and Bloomberg unless specified otherwise.

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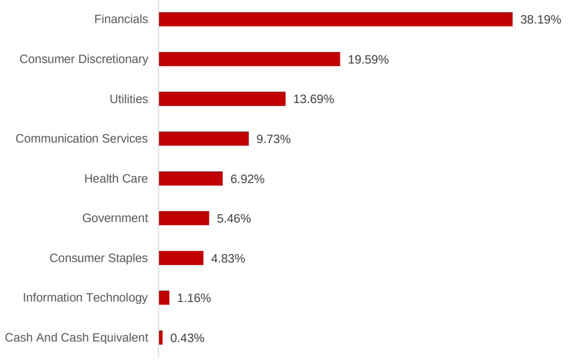
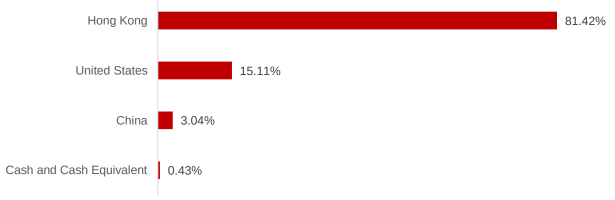
▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

In August, the Hong Kong market saw the Hang Seng Index rise by 3.72%, while the Hang Seng Tech Index increased by 1.24%. This month, funds recorded a negative return of -2.34%, underperforming the Hang Seng Index by about 6% and slightly lagging behind the MSCI China Index by approximately 0.42%.

In July, China’s manufacturing PMI was 49.4, in line with expectations, while the non-manufacturing PMI was 50.2, slightly below the expected value of 50.3. Affected by the off-season, insufficient demand, and extreme weather, the manufacturing sector experienced a slight decline, while the non-manufacturing sector continued to expand. In July, new home sales in China weakened, with the total sales amount of the top 100 real estate companies declining by 21% year-on-year and 36% month-on-month, with the month-on-month drop exceeding seasonal patterns. The number of companies with year-on-year sales growth in a single month significantly decreased compared to June.

On August 3, the State Council issued a document on promoting high-quality development of service consumption, proposing to expand the opening of the service industry, enhance service quality, enrich consumption scenarios, and optimize the consumption environment. This aims to stimulate endogenous momentum for service consumption through innovation and cultivate new growth points for service consumption, providing strong support for high-quality economic development, benefiting the subsequent development of the consumption service industry, and potentially boosting market confidence in this sector.

On August 7, data from the General Administration of Customs showed that in July, China's imports in U.S. dollar terms increased by 7.2% year-on-year to $215.91 billion, exceeding market expectations, compared to a previous decline of -2.3%. Exports rose by 7.0% year-on-year to $300.56 billion, falling short of market expectations, with the prior figure at 8.6%. The unexpected drop in export growth was attributed to a slowdown in overseas economic expansion, suggesting that external demand may weaken in support of exports in the second half of the year. The higher-than-expected import growth was mainly influenced by a low base and price increases, indicating that further policies to expand domestic demand are still needed.

On August 9, the People's Bank of China released its second-quarter Monetary Policy Implementation Report, emphasizing the “transformation of the monetary policy framework.” It included new measures focusing on improving the quality of LPR pricing and aligning loan rates with market interest rates such as bond yields, as well as gradually increasing the buying and selling of government bonds in open market operations, indicating a faster pace of reform in the central bank’s monetary policy framework. The report also noted the need to “guard against interest rate risks,” signifying a shift from “expectation guidance” to “operational measures” in response to rapid interest rate declines. In July, new social financing totaled 770 billion yuan, with new RMB loans reaching 260 billion yuan, and M1 growth rate expanded to a decline of 6.6%. Affected by economic transformation, insufficient effective demand, and idle funds, the overall financial growth in China continues to exhibit characteristics of “slowing down while improving quality.” A report from the central bank's supervisory media, the Financial Times, stated that financial growth in July remained basically stable, with the effects of “squeezing out excess” continuing to manifest. Economic data from July indicated that demand continued to weaken, with marginal declines in industrial added value, a month-on-month decrease in investment growth, and a rebound in retail sales growth that remained at a low level, suggesting that further policy efforts are needed for economic recovery.

On August 16, Premier Li Qiang chaired the fifth plenary meeting of the State Council, emphasizing the need to focus on implementing reform deployments to further deepen reforms comprehensively, providing strong momentum to effectively carry out various tasks and firmly achieve the annual economic and social development goals. The Hang Seng Index experienced upward fluctuations this month, rising to around 18,000 points. Moving forward, we will continue to monitor the trends in stabilization policies and funding, as well as the effects of the replacement policy, expecting that the Hong Kong stock market will remain volatile in the short term as it awaits clearer signals from the fundamentals and policies.

Date source: Bloomerg. As of 30 Aug 2024。