

ChinaAMC China Focus Fund

Fund Factsheet



As of 30 Sep 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 Performance¹



▲ Fund Information²

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 17.89 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	USD13.224	AUD17.520	EUR 15.970	HKD 13.496	SGD 13.283
Bloomberg Ticker	CACFUSD HK	CACFAUD HK	CACFEUR HK	CACFHKD HK	CACFSGD HK
ISIN Number	HK0000352960	HK0000352911	HK0000352929	HK0000352945	HK0000352952

▲ Cumulative Return¹

	1 Month	3 Month	6 Month	1 Year	Since Inception ³	Annualized-Since Inception ³
Fund (USD)	+20.68%	+15.02%	+20.13%	+18.94%	+32.24%	+2.04%
Fund (AUD)	+18.03%	+10.72%	+12.97%	+10.65%	+75.20%	+4.14%
Fund (EUR)	+19.69%	+10.46%	+16.25%	+12.83%	+59.70%	+3.45%
Fund (HKD)	+20.17%	+14.43%	+19.22%	+17.96%	+34.96%	+2.19%
Fund (SGD)	+18.69%	+8.81%	+14.12%	+11.72%	+32.83%	+2.08%

▲ Yearly Return¹

	2019	2020	2021	2022	2023	2024YTD
Fund (USD)	+16.79%	+27.63%	-6.11%	-28.72%	+2.31%	+16.61%
Fund (AUD)	+16.90%	+16.27%	+1.17%	-23.56%	+1.67%	+14.70%
Fund (EUR)	+18.97%	+17.46%	+2.38%	-24.04%	-1.16%	+15.42%
Fund (HKD)	+16.22%	+27.23%	-4.58%	-28.64%	+2.36%	+15.99%
Fund (SGD)	+14.97%	+25.75%	-2.71%	-29.08%	+0.62%	+13.34%

¹Past 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.

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

³Calculated since the inception date of respective share class.

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

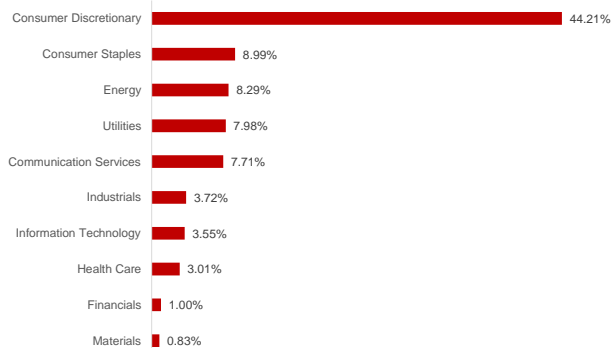
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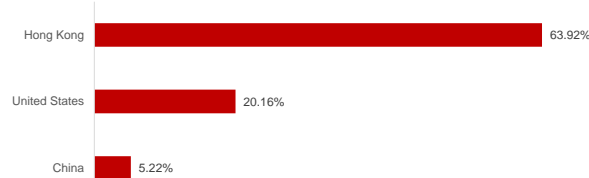


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

In September, the Hong Kong market saw a 17.52% increase in the Hang Seng Index, while the Hang Seng Tech Index fell by 33.45%. This month, the fund recorded a positive return of 20.68%, slightly outperforming the Hang Seng Index by approximately 3.16% but underperforming the MSCI China Index by about 2.39%.

In August, China's CPI and PPI growth rates were lower than expected, with export growth higher than anticipated. The August CPI increased by 0.6% year-on-year, below the expected 0.7%; PPI decreased by 1.8% year-on-year, lower than the expected -1.4%. Although the August CPI increased month-on-month, the rise was slightly lower than market expectations. This increase was mainly driven by a significant rebound in prices of fresh vegetables and fruits due to hot and rainy weather conditions, reflecting weak core CPI, indicating subdued consumer spending. In August, exports in China grew by 8.7%, while import growth slowed to 0.5%, leading to an expanded trade surplus. The export sector continued to drive economic growth, with a clear trend towards high-end manufacturing, while domestic demand remained weak. Industrial value-added in China increased by 4.5% year-on-year in August, below expectations and the previous value of 5.1%. Fixed asset investment grew by 3.4% year-on-year from January to August, lower than expected and the previous value of 3.6%. Total retail sales of consumer goods grew by 2.1% year-on-year in August, below expectations and the previous value of 2.7%. The structure of economic growth continued to show differentiation, with production outperforming demand, external demand stronger than internal demand, government-led investment better than private investment, and lower-tier city consumption outperforming higher-tier cities. Economic growth faced significant pressure, requiring policy measures to reverse the downward trend. In August, new RMB loans in China amounted to 900 billion, slightly higher than the expected 885 billion; social financing reached 3.0298 trillion, exceeding the expected 2.7044 trillion, with a slight increase in bill financing, mainly driven by government bonds, as financing demand from enterprises and residents continued to weaken.

Chinese economic and financial data in August remained weak, leading to increased expectations in the market for the introduction of stimulus policies. Bloomberg reported that China might lower interest rates on existing housing loans in September to stimulate consumption. President Xi Jinping emphasized during a symposium the need for all regions and departments to diligently implement the economic work arrangements of the Party Central Committee and major initiatives, focusing on economic work at the end of the third quarter and in the fourth quarter, striving to achieve the annual economic and social development goals.

On September 19, the National Development and Reform Commission held a press conference on the macroeconomic situation and policies, emphasizing the intensification of macroeconomic regulation, strengthening policy research and preparation, and timely introduction of a series of incremental policy measures that are operationally strong, effective, and tangible for the public and enterprises. The probability of subsequent measures such as reserve requirement ratio cuts, interest rate reductions, and fiscal stimuli being introduced significantly increased. The first 50 basis point rate cut by the Federal Reserve provided more leeway for China's monetary policy. On September 24, the State Council Information Office held a press conference on financial support for high-quality economic development. The Governor of the People's Bank of China, Pan Gongsheng, announced that the central bank would soon reduce the reserve requirement ratio by 0.5 percentage points, providing around 1 trillion yuan of long-term liquidity to the financial market. Commercial banks were guided to lower existing mortgage rates to levels near those of new mortgage rates, with an average expected reduction of around 0.5 percentage points. This move aimed to significantly boost funding access and stock holding capabilities, create special refinancing facilities, guide banks to provide loans to listed companies and major shareholders, support repurchases, and increase stock holdings. These measures are expected to significantly boost market confidence and reduce the risk of economic slowdown. On September 26, the Politburo of the CPC Central Committee convened a meeting, emphasizing the need to intensify countercyclical adjustments in fiscal and monetary policies, ensure necessary fiscal expenditures, effectively carry out grassroots "three guarantees" work, promote the stabilization of the real estate market, integrate consumption promotion with improving people's well-being, increase incomes for middle- and low-income groups, enhance consumption structure, and strive to achieve the annual economic and social development goals. The public discussion of economic issues during the September Politburo meeting is a strong signal of the leadership's attention to current economic work, indicating a potential for increased focus on fiscal policies in the future. The Hong Kong stock market surged this month, with the Hang Seng Index reaching a new high not seen in 23 years and 4 months. In the short term, the market may face some profit-taking pressure after the surge, but the extent is expected to be limited. Looking at a longer horizon, next year's Chinese economic growth is likely to be better than this year's. The drag of the real estate sector on economic growth is expected to further weaken, and policies promoting consumption through trade-ins are likely to continue in the coming months, improving market expectations. The current loose measures are also expected to have a positive impact on future economic growth. With improving investor returns, deepening connectivity, and the possibility of reduced dividend tax in the Hong Kong Stock Connect market, the long-term upward trend appears clearer.

Date source: Bloomberg. As of 30 Sep 2024.

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Important Note

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