

ChinaAMC China Focus Fund

Fund Factsheet



As of 31 Oct 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 22.89 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 | USD13.093 | AUD18.373 | EUR 16.255 | HKD 13.374 | SGD 13.571 |
| 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) | -0.99% | +16.69% | +14.83% | +23.93% | +30.93% | +1.96% |
| Fund (AUD) | +4.87% | +16.33% | +13.84% | +19.79% | +83.73% | +4.47% |
| Fund (EUR) | +1.78% | +16.31% | +13.09% | +20.66% | +62.55% | +3.56% |
| Fund (HKD) | -0.90% | +16.12% | +14.13% | +23.13% | +33.74% | +2.11% |
| Fund (SGD) | +2.17% | +15.41% | +11.38% | +19.66% | +35.71% | +2.22% |

▲ Yearly Return¹

| | 2019 | 2020 | 2021 | 2022 | 2023 | 2024YTD |
|-------------------|---------|---------|--------|---------|--------|---------|
| Fund (USD) | +16.79% | +27.63% | -6.11% | -28.72% | +2.31% | +15.46% |
| Fund (AUD) | +16.90% | +16.27% | +1.17% | -23.56% | +1.67% | +20.28% |
| Fund (EUR) | +18.97% | +17.46% | +2.38% | -24.04% | -1.16% | +17.48% |
| Fund (HKD) | +16.22% | +27.23% | -4.58% | -28.64% | +2.36% | +14.95% |
| Fund (SGD) | +14.97% | +25.75% | -2.71% | -29.08% | +0.62% | +15.79% |

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.

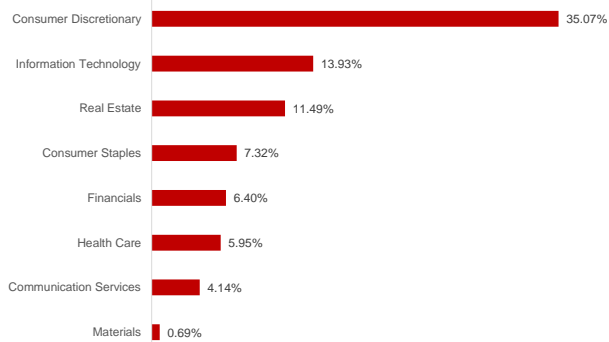
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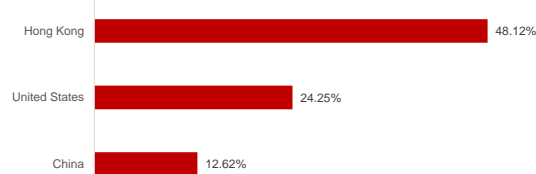


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

In October, the Hang Seng Index in Hong Kong fell by 3.86%, while the Hang Seng Tech Index dropped by 5.32%. The fund recorded a negative return of 0.99% this month, outperforming the Hang Seng Index by about 3.87% and the MSCI China Index by approximately 4.98%.

In September, China's manufacturing PMI performed better than expected. The official manufacturing PMI rose to 49.8, staying below the boom-bust line for five consecutive months but surpassing the expected value of 49.4, reaching the highest level since April. However, the official non-manufacturing PMI decreased to 49.3, below the expected value of 50.5, influenced by extreme weather conditions like typhoons and the end of the peak summer tourism season.

On October 14th, China's new social financing in September reached 3.76 trillion yuan, with new RMB loans totaling 1.59 trillion yuan. The stock market rebounded, leading to an increase in M2 growth rate to 6.8%, while M1 money supply continued to decline. Financial data trends were broadly consistent with previous trends, showing weaker non-governmental social financing and government financing as the main support for social financing.

China's GDP in the third quarter grew by 4.6% year-on-year, surpassing market expectations. In September, the year-on-year growth rate of total social retail sales rebounded to 3.2%, accelerating by 1.1 percentage points compared to the previous month, with positive sales trends observed in categories like automobiles and household appliances.

On October 12th, the Ministry of Finance announced that the central government still has significant room for debt issuance and deficit expansion. They plan to increase debt limits on a large scale, introducing the most substantial measures to support debt conversion in recent years. They will issue special national bonds to support large state-owned commercial banks in supplementing core Tier 1 capital, stabilize the real estate market, allocate 400 billion yuan to enhance the comprehensive financial capacity of local governments, and respond to market concerns within the current fiscal framework.

On October 18th, the People's Bank of China officially launched securities, fund, and insurance company interchanges, with the initial application quota exceeding 200 billion yuan. On the same day, the People's Bank of China officially introduced stock repurchase and increased holdings re-lending, with an initial quota of 300 billion yuan. On October 21st, the People's Bank of China reduced the 1-year and 5-year LPR by 25 basis points each, marking the largest single reduction in history.

On October 29th, President Xi pointed out at the opening ceremony of a learning session for provincial and ministerial-level leading cadres that all regions and departments should earnestly implement a series of major measures determined at the Central Political Bureau meeting, ensure the full implementation of existing and new policies, make comprehensive efforts, effectively carry out various tasks in the remaining two months, and strive to achieve the annual economic and social development goals. Considering that the effects of equipment upgrades and the replacement of consumer goods have exceeded expectations and based on Minister Liao's speech at the sixth meeting of the China-U.S. Economic Working Group, the probability of larger-scale fiscal funds being used to enhance major consumer goods such as automobiles and household appliances has significantly increased. Against the backdrop of recent intensive policy releases, the likelihood of economic stabilization and recovery in the fourth quarter is high, and the probability of achieving the annual economic growth target remains high. We continue to maintain an optimistic view on the future market trend.

Date source: Bloomberg. As of 31 Oct 2024.

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Important Note

Investment involves risks. The price of the Fund's units may go up as well as down. Past performance is not indicative of future performance, future return is not guaranteed and a loss of your original capital may occur. This material does not constitute an offer or solicitation of any transaction in any securities or collective investment schemes, nor does it constitute any investment advice. This document is provided for information purposes only and shall not be relied upon for making any investment decision. Certain information or data in this document has been obtained from unaffiliated third parties; we have reasonable belief that such information or data is accurate, complete and up to the date as indicated; China Asset Management (Hong Kong) Limited accepts responsibility for accurately reproducing such data and information but makes no warranty or representation as to the completeness and accuracy of data and information sourced from such unaffiliated third parties. You should read the Fund's offering documents for further details, including risk factors. If necessary, you should seek independent professional advice. This material has been prepared and issued by China Asset Management (Hong Kong) Limited. This material has not been reviewed by the Securities and Futures Commission.