ChinaAMC China Focus Fund

Fund Factsheet | As of 28 Jan 2025

華夏基金(香港) ChinaAMC (HK)

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 QFI 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 may invest in A Share ETFs and spot bitcoin/ether ETFs, thus is subject to the fees and charges and the risk of tracking errors of the relevant 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 Information [1]

Legal Structure	Hong Kong domiciled umbrella structure unit trust
Investment Manager	China Asset Management (Hong Kong) Limited
Trustee	Cititrust Limited
Custodian	Citibank, N.A. (Hong Kong branch)
Base Currency	USD
Fund Size	USD 19.27 million
Available Dealing Currencies	USD, EUR, GBP, AUD, SGD, HKD
Dealing Frequency	Daily
Performance Fee	10% of appreciation in the NAV per unit during a performance period above the high watermark of the relevant class of units

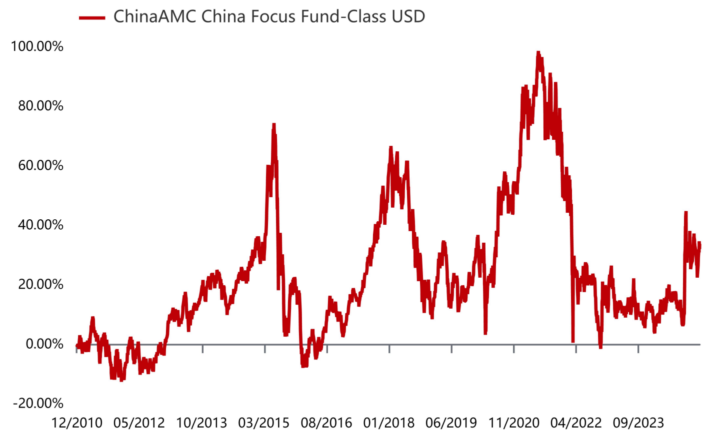
▲ Available Share Classes

Share Class	Launch Date	NAV per share	Bloomberg Code	ISIN Code
Class AUD	2010-12-10	AUD 19.719	CACFAUD HK	HK0000352911
Class EUR	2010-12-10	EUR 17.324	CACFEUR HK	HK0000352929
Class HKD	2010-12-10	HKD 13.716	CACFHKD HK	HK0000352945
Class SGD	2010-12-10	SGD 14.196	CACFSGD HK	HK0000352952
Class USD	2010-12-10	USD 13.399	CACFUSD HK	HK0000352960

Source: Data as of 28 Jan 2025, Bloomberg, unless specified otherwise.

Share Class	Subscription Fee	Investment Management Fee	Min Initial Subscription
Class AUD	Up to 5%	1.8% p.a.	AUD 1,000
Class EUR	Up to 5%	1.8% p.a.	EUR 1,000
Class HKD	Up to 5%	1.8% p.a.	HKD 1,000
Class SGD	Up to 5%	1.8% p.a.	SGD 1,000
Class USD	Up to 5%	1.8% p.a.	USD 1,000

▲ Fund Performance [2]



▲ Cumulative Performance (%) [2]

	1 Month	3 Month	6 Month	1 Year	Since Inception [3]	Annualized Since Inception [3]
Class AUD	2.56	7.33	24.85	33.54	97.19	4.92
Class EUR	2.77	6.58	23.96	31.47	73.24	3.96
Class HKD	3.77	2.56	19.09	25.74	37.16	2.26
Class SGD	2.55	4.61	20.72	27.67	41.96	2.51
Class USD	3.46	2.34	19.42	26.17	33.99	2.09

▲ Yearly Performance (%) [2]

	2020	2021	2022	2023	2024	2025 YTD
Class AUD	16.27	1.17	-23.56	1.67	25.87	2.56
Class EUR	17.46	2.38	-24.04	-1.16	21.83	2.77
Class HKD	27.23	-4.58	-28.64	2.36	13.61	3.77
Class SGD	25.75	-2.71	-29.08	0.62	18.11	2.55
Class USD	27.63	-6.11	-28.72	2.31	14.21	3.46

1 Please refer to the Explanatory Memorandum for full product disclosure including fees.
2 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.
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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▲ Manager's Comment

In January, the Hong Kong market saw the Hang Seng Index rise by 0.82% and the Hang Seng Tech Index increase by 5.72%. This month, the fund recorded a return of 3.46%, outperforming the Hang Seng Index by approximately 2.64% and the MSCI China Index by around 5.60%.

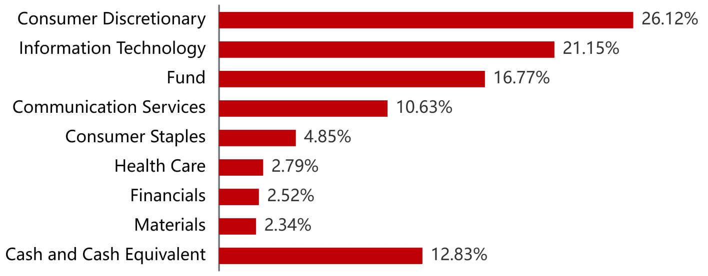
In December, China's official manufacturing PMI was 50.1%, a slight decrease of 0.2 percentage points compared to the previous month, but it has remained above the critical threshold for three consecutive months, indicating that the manufacturing sector is still expanding. However, the downward trend suggests a slight lack of growth momentum. The non-manufacturing PMI reached 52.2%, a 2.2 percentage point increase month-on-month, indicating a significant improvement in the non-manufacturing sector. Factors such as the policy to encourage consumers to replace old products with new ones and the approaching traditional holiday season have accelerated the expansion in various industries. In terms of foreign trade data, in December, exports increased by 10.7% year-on-year in USD terms, imports grew by 1.0% year-on-year, and the trade surplus reached $104.84 billion USD. This growth was mainly due to base effects, seasonal factors, and the rush in exports. Looking ahead to 2025, with the slowdown in overseas demand and increased uncertainty in the external trade environment, export growth is expected to moderate compared to 2024. Financial data also showed positive trends, with new social financing and new RMB loans in December both rebounding and exceeding expectations. The M2-M1 money supply gap narrowed, reflecting strengthened financial support for the real economy, leading to increased market liquidity and fund activity. In the fourth quarter, GDP grew by 5.4% year-on-year, surpassing the expected 5.0%; retail sales growth in December was 3.7%, higher than the expected 3.6%; and industrial value-added increased by 6.2% year-on-year, exceeding the expected 5.4%. These data indicate a robust economic growth momentum and a relatively stable economic recovery, but sustainability of the subsequent growth should be monitored closely.

The January meeting of the central bank emphasized the comprehensive use of various monetary policy tools to adjust reserve requirements and interest rates as needed based on domestic and international economic and financial conditions, and the operation of the financial markets. The aim is to maintain ample liquidity, stable and moderate growth in financial aggregates, ensuring that the scale of social financing and money supply growth matches the economic growth and the expected target of the overall price level. This statement sends a clear policy signal, indicating that the central bank will provide an appropriate monetary environment for economic development through flexible monetary policy adjustments to support the development of the real economy. On January 8th, the State Council Information Office held a policy briefing on the "two news" policy. The National Development and Reform Commission stated that the total size of the ultra-long special national bonds to support the "two news" initiatives in 2025 will be significantly increased compared to last year, with the specific amount to be announced during the upcoming national sessions. At the same time, the scope of support for consumer goods replacement has been expanded to include digital products, the categories of home appliances have increased from 8 to 12, and the support range for scrapping and renewing automobiles has been expanded. These policies aim to stimulate consumption, promote industrial upgrading, and are of significant importance in boosting domestic demand and facilitating the development of related industries, injecting new momentum into economic growth.

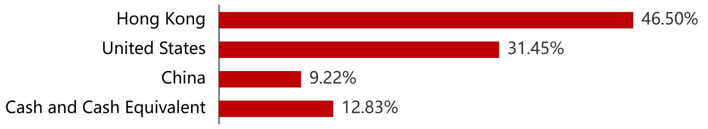
In January, the Hong Kong stock market experienced initial suppression followed by a rebound. Initially, the market sentiment was impacted by the U.S. listing Tencent and other companies, as well as Trump's proposed new tariff plans. However, the market recovered and saw a volatile upward trend. Net buying from mainland investors and company buybacks provided support, while advancements in AI large models have boosted optimism for the development of AI in China. It is important to monitor the sustainability of the AI and intelligent driving themes going forward, as well as the post-holiday consumption trends, new construction starts, and the implementation of incremental policies.

▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



Source: China Asset Management (Hong Kong) Limited and Bloomberg unless specified otherwise. Data As of 28 Jan 2025.

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