ChinaAMC China Opportunities Fund[1]

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 focuses on investing in equities of China-related companies with registered offices located in the PRC and/or Hong Kong, and/or China-related companies that do not have their registered offices in the PRC or Hong Kong but either (a) carry out a predominant proportion of their business activities in the PRC or Hong Kong, or (b) are holding companies which predominantly own companies with registered offices in the PRC or Hong Kong.
- Investment in equity securities is subject to market risk and the prices of such securities may be volatile. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, regional or global economic instability, currency and interest rate fluctuations. If the market value of equity securities in which the Fund invests in goes down, the net asset value of the Fund may be adversely affected, and investors may suffer substantial losses.
- The Fund focuses its investments on China-related equity securities. The Fund is likely to be more volatile than a broad-based fund, as the Fund is more susceptible to fluctuations in value resulting from limited number of holdings or from unfavourable performance in such equity securities that the Fund invests in.
- The Fund may invest in the PRC markets via indirect means, which involve certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity, legal and regulatory risk.
- The Fund may invest in the PRC domestic securities market indirectly through QFI funds which may be subject to RMB currency risk, QFI regime risk, A-Share market risk and PRC tax risk.

▲ Investment Objective

The Fund seeks to maximise capital growth by investing primarily (i.e. at least 70% of its net assets) in China related listed equity securities.

▲ Fund Information[4]

Legal Structure	Luxembourg SICAV (UCITS)
Investment Manager	China Asset Management (Hong Kong) Limited
Depositary	Brown Brothers Harriman (Luxembourg) S.C.A.
Base Currency	USD
Fund Size	USD 8.71 million
Non-Base Currency Share Classes	EUR, GBP and HKD
Dealing Frequency	Daily
Management Company	FundRock Management Company S.A

▲ Available Share Classes

Share Class	Launch Date	NAV per share	Bloomberg Code	ISIN Code
Class A ACC USD	2010-10-11	USD 15.894	CHCOAAU LX	LU0531876844
Class A ACC EUR	2010-11-11	EUR 19.079	CHCOAAE LX	LU0531876760
Class A ACC HKD	2014-11-03	HKD 109.532	CHCOAAH LX	LU1097445909

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

Share Class	Subscription Fee	Investment Management Fee	Min Initial Subscription
Class A ACC USD	Up to 5%	Up to 1.8% p.a.	USD 1,000
Class A ACC EUR	Up to 5%	Up to 1.8% p.a.	EUR 1,000
Class A ACC HKD	Up to 5%	Up to 1.8% p.a.	HKD 10,000

▲ Fund Performance[2]

▲ Cumulative Performance (%)[2]

	1 Month	3 Month	6 Month	1 Year	Since Inception[5]	Annualized Since Inception[5]
Class A ACC USD	-0.16	-0.88	20.60	31.55	58.94	3.29
Reference Index[3]	0.98	-0.91	16.68	34.90	32.54	1.99
Class A ACC EUR	-0.28	3.34	25.36	36.82	90.79	4.65
Class A ACC HKD	0.17	-0.65	20.28	31.08	9.53	0.89

▲ Yearly Performance (%)[2]

	2020	2021	2022	2023	2024	2025 YTD
Class A ACC USD	37.62	-22.29	-24.45	-10.10	12.53	-0.16
Reference Index[3]	29.49	-21.72	-21.93	-11.20	19.42	0.98
Class A ACC EUR	25.91	-15.75	-19.91	-13.35	19.72	-0.28
Class A ACC HKD	37.01	-21.84	-24.49	-9.90	11.86	0.17

1 This is a marketing communication. Please refer to the prospectus of the fund before making any final investment decisions.

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.

3 Calculated since the inception date of Class A ACC USD. The reference index MSCI China Index which is presented for comparison purposes only and this fund is actively managed.

4 Please refer to the Fund's prospectus for more information on general terms, risks and fees.

5 Calculated since the inception date of each 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 market experienced a volatile trend, with the MSCI China Index rising slightly by 0.94%. On January 3, the People's Bank of China (PBOC) Work Conference clarified that the monetary policy tone for 2025 would be “moderately loose.” It will use a variety of monetary policy tools to lower the reserve requirement ratio (RRR) and interest rates as appropriate, in order to maintain ample liquidity. On January 5, the National Development and Reform Commission (NDRC) and the Ministry of Finance issued a policy to intensify and expand the implementation of large-scale equipment renewal and consumer goods trade-in programs. This includes increasing the funds for equipment renewal in key areas supported by ultra-long-term special government bonds and expanding the scope and standards of consumer goods subsidies. On January 10, the PBOC announced that it would suspend open market government bond purchase operations starting from January 2025. The operations would be resumed as appropriate based on the supply and demand situation in the government bond market. On January 22, six ministries jointly issued a document to promote the entry of medium- and long-term funds into the market. It proposed that, starting from 2025, large state-owned insurance companies should use 30% of their annual new premiums for investment in A-shares and other stock markets. It also aims to implement the second batch of pilot programs for long-term equity investment by insurance funds, with a scale of not less than 100 billion yuan, to be implemented in the first half of 2025.

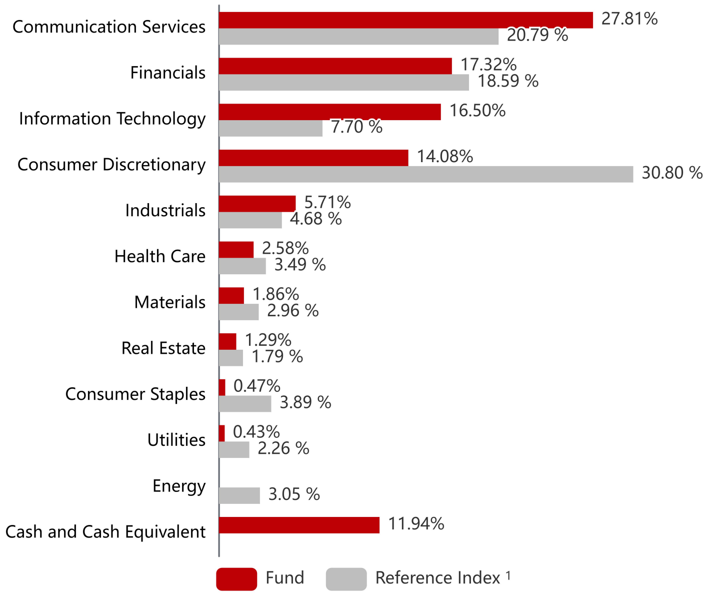
The NBS manufacturing PMI headline index fell to 49.1 in January from 50.1 in December, suggesting activity in the manufacturing sector contracted sequentially. Among major sub-indexes of NBS manufacturing PMI, the output sub-index fell to 49.8 from 52.1, new orders sub-index decreased to 49.2 from 51.0 while the employment sub-index remained unchanged at 48.1. The official non-manufacturing PMI decreased to 50.2 in January (vs. 52.2 in December), driven by decelerated activity in both the services and construction sectors in January. The service’s PMI declined to 50.3 from 52.0. The PMIs of air transportation, postal, telecommunications and monetary and financial services industries were above 55, while the PMIs of culture, sports and entertainment, and household service industries were below 50 in January. The construction PMI fell notably to 49.3 in January (vs. 53.2 in December). NBS commented that the construction industry entered the traditional off-season due to the approaching Spring Festival holiday and low temperature in winter.

Looking ahead, we maintain a long-term positive view on the Chinese stock market. The intensified and expanded "Two New" policies are expected to further stimulate consumer vitality, drive investment growth and industrial upgrading, and relatively support green transformation. The more proactive fiscal policy and moderately loose monetary policy have provided a certain degree of synergy for maintaining stable economic growth this year. Increasing fiscal spending and maintaining ample liquidity can also effectively alleviate the difficulties and high costs of corporate financing, promoting the development of the real economy. In the near term, the market will await corporate annual report performance and policy directions from the National People's Congress and the Chinese People's Political Consultative Conference to provide guidance for the next steps. During the policy lull period, there may be sustained market volatility. However, structural market trends that align with current industrial trends and policy support directions still exist. In the long run, medium- and long-term funds are expected to have an impact on the performance of the capital market, market ecology, and the development of the real economy.

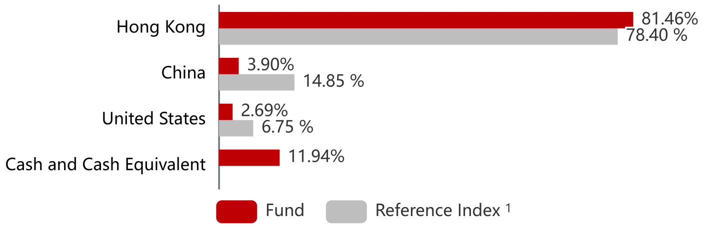
In terms of portfolio positioning, we will continue to seek a balance between value and growth. We continue to focus on the long-term policy beneficiaries (e.g. software localization and advanced manufacturing) and economic recovery-related opportunities (e.g. consumer, Internet, and financials). We will prudently pay attention to some thematic opportunities, including AI and SOE re-rating.

▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



1 Calculated since the inception date of Class A ACC USD. The reference index MSCI China Index which is presented for comparison purposes only and this fund is actively managed.

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

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