

ChinaAMC China Focus Fund

Fund Factsheet



As of August 30, 2019

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 be 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.

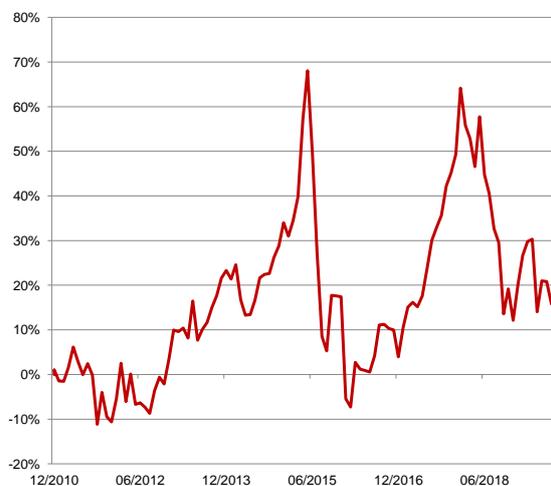
▲ Investment Objective

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

▲ 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 25.33 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

▲ Fund Performance¹



▲ Fund Detail

	USD	AUD	EUR
Fund Price	11.582	15.560	13.941
Bloomberg Ticker	CACFUSD HK	CACFAUD HK	CACFEUR HK
ISIN Number	HK0000352960	HK0000352911	HK0000352929
	HKD	SGD	
Fund Price	11.777	12.362	
Bloomberg Ticker	CACFHKD HK	CACFSGD HK	
ISIN Number	HK0000352945	HK0000352952	

Cumulative Return¹

	1 Month	YTD	6 Months	1 Year	3 Years	5 Years	Since Inception ³
Fund (USD)	-4.14%	+3.28%	-8.56%	-12.68%	+4.27%	-5.41%	+15.82%
Fund (AUD)	-1.93%	+7.92%	-3.44%	-6.27%	+16.47%	+27.38%	+55.60%
Fund (EUR)	-3.08%	+7.21%	-5.45%	-7.75%	+5.67%	+12.86%	+39.41%
Fund (HKD)	-4.04%	+3.36%	-8.72%	-12.83%	+5.48%	-3.74%	+17.77%
Fund (SGD)	-2.83%	+5.11%	-6.12%	-11.59%	+6.30%	+5.30%	+23.62%

Yearly Return (%)¹

	2013	2014	2015	2016	2017	2018	2019 YTD
Fund	+19.12%	+8.67%	-12.37%	-11.45%	+43.61%	-24.90%	+3.28%

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 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.

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▲ Manager's Comment

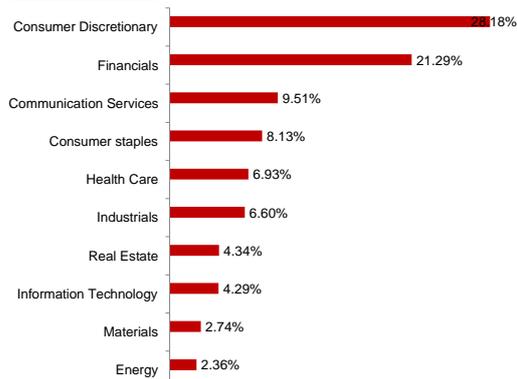
MSCI China index was down 4.1% for the month of August. It outperformed MSCI Emerging markets, but underperformed both S&P 500 and MSCI All Country World Index. Market saw sharp decline at the beginning of the month, triggered by President Trump's tweet that he will put a 10% tariff on the remaining \$300 billion of Chinese imports. Market reacted and lost 8% in the 3 days following that. CNY also broke the psychological level of 7 and had remained above 7 since then. This is followed by the US Treasury labeling China as a currency manipulator. On Aug 13 the US delayed the 10% tariff and this helped to improve sentiment. Hong Kong demonstrations occupied headlines on most of the days in August. And this also put pressure on risk appetite. This is another month that market was slapped around by macro events.

Economic data released this month tend to be softer than expected. Manufacturing PMI for August slide 0.2% to 49.5. CPI for July was 2.8% while PPI was down 0.3%. In terms of trade, export went up 3.3% in July and import was down 5.3%. Current account surplus came in at \$45 billion. Retail sales grew 7.6% driven by better auto sales. July TSF growth eased to 10.7% from 10.9% in June. Hong Kong's economy was negatively affected by the recent protests. Hong Kong retail sales was down 11.4% yoy in July after it went down 6.7% in June. Earning's season is mostly behind us now. MSCI China EPS growth for 1H19 was 11.4%.

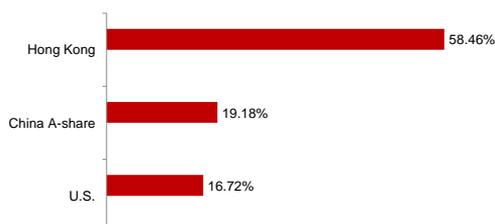
In terms of market outlook, we are of the view that current market valuation largely reflected concerns on US-China trade conflict and Hong Kong's social unrest. Politburo meeting at the end of July suggested that the government is by and large content with the economy and is in no hurry to boost economy. We think any improvement on these fronts could provide upside to current market level. In terms of portfolio positioning, we remain committed to sectors that are expected to benefit from Chinese middle class' consumption upgrade needs, including healthcare, consumer discretionary and insurance.

▲ Portfolio Allocation

Sector Allocation



Asset Allocation



▲ Top 5 Equity Holdings

Security Name	Sector	Weight
ALIBABA GROUP HOLDING-SP ADR	Consumer Discretionary	7.98%
TENCENT HOLDINGS LTD	Communication Services	7.60%
PING AN INSURANCE GROUP CO-H	Financials	6.26%
CHINA CONSTRUCTION BANK-H	Financials	3.38%
CHINA RESOURCES BEER HOLDING	Consumer Staples	2.67%

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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.