

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 investment objective of ChinaAMC Select RMB Investment Grade Income Fund (the "Fund") is to achieve capital appreciation and income generation by investing primarily (i.e. at least 70% of the Fund's NAV) in a fixed income portfolio with exposure to RMB.
- Investment in debt instruments involves counterparty risk, interest rate risk, volatility and liquidity risk, credit downgrading risk and valuation risk.
- RMB is not freely convertible and is subject to exchange controls and restrictions. Any depreciation of RMB could adversely affect the value of the Fund. Payment of redemptions and/or dividend in RMB may be delayed due to exchange controls and restrictions.
- The Fund's investments exposure are concentrated in Mainland China, which involves concentration risk, risks associated with emerging market, dim sum bonds, urban investment bonds and greater political, tax, economic, foreign exchange, liquidity, legal and regulatory risks.
- The Fund may invest in fixed income instruments with loss-absorption features. Investments in such instruments are subject to higher liquidity, valuation and sector concentration risk.
- The Fund may enter into securities lending, repurchase and reverse repurchase transactions and may acquire FDIs for RMB hedging. It associated with higher volatility risk, credit risk, liquidity risk, management risk, valuation risk, counterparty risk and OTC transaction risk.



ChinaAMC Select RMB Investment Grade Income Fund



RMB
Exposure



Pure
Investment-grade



Stable



Flexible



Diverse

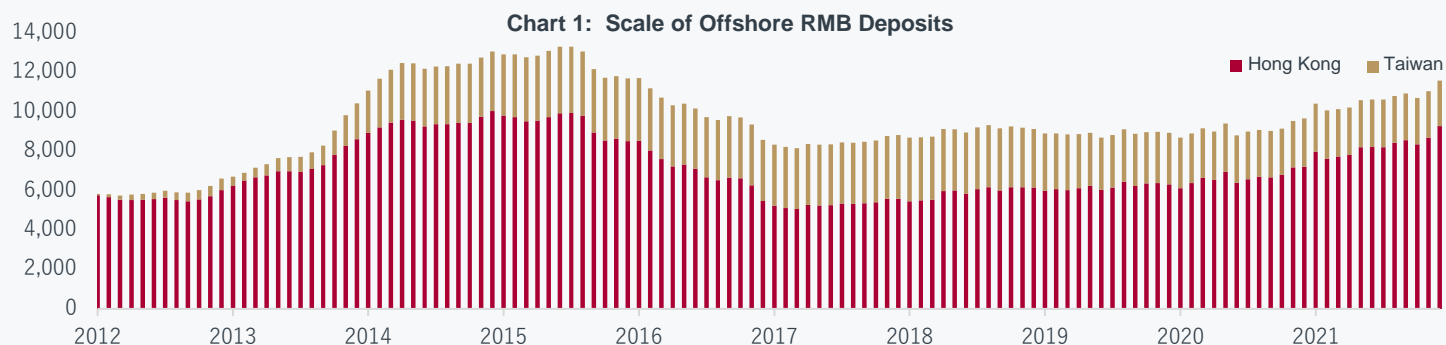
Capturing opportunities of RMB internationalization

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RMB internationalization accelerates by supported policies, bring strong demand of onshore RMB

- The scale of offshore RMB deposits has risen in recent years. Currently, the scale of offshore RMB deposits exceeds RMB 1 trillion, and the scale in Hong Kong significantly increased 8.3% to about RMB 900 billion in Q4 2021, which reached the historical peak level prior to the 811 RMB Exchange Rate Reform in 2015.

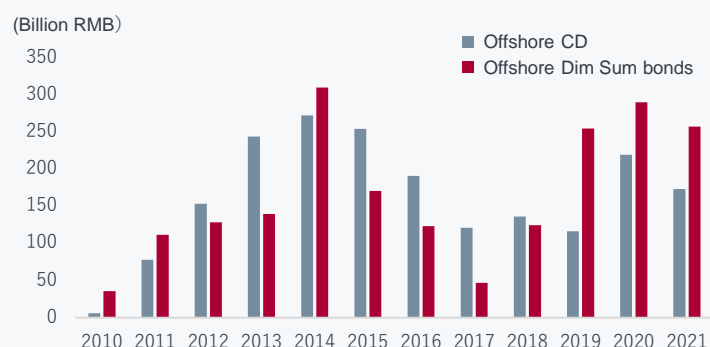


- By the end of 2021, the share of RMB in major international payment currencies increased significantly, ranking fourth over Japan, with great prospects for the future.
- The new issuance of dim sum bonds and offshore CDs have shown obvious signs of recovery in the past three years, while over 70% of dim sum bonds are investment grade.

Chart 2: Top 5 international payment currencies

Currency	Weights	Rank
USD	40.51%	1
EUR	36.65%	2
GBP	5.89%	3
RMB	2.7%	4
JPY	2.58%	5

Chart 3: Issuance size of offshore RMB fixed income instruments



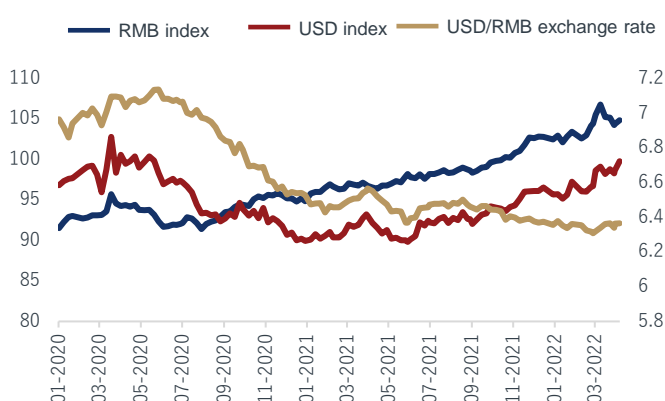
Source: Bloomberg, as at 31 December 2021

The Chinese government released a batch of supportive policies, including the launch of Cross-boundary Wealth Management Connect, the Southbound Bond Connect, the ETF Connect, and the uplift of QFII investment quota restrictions. The central bank issued a document to establish a normal mechanism for the issuance of central bank bills in Hong Kong to promote the development of RMB Internationalization and to strengthen the status of Hong Kong as an international offshore RMB centre.



RMB assets show resilience amid risk-off sentiment

Chart 4: The trend of RMB



- Solid economic fundamentals and strong trade surplus have kept the RMB strong over the past two years
- Even though Sino-US relations and geopolitical risk will be the biggest driving force behind RMB volatility, the basis for the RMB to remain strong has not faded, while the balance of domestic foreign currency deposits reached a record high and the real interest rate gap between China and the United States remains high
- The USD index raised 4.31% year-to-date, while RMB has only depreciated 0.14% against the USD
- Monetary policy in China is expected to remain relatively loose which supports the credit status of corporate issuers. RMB bond assets are expected to deliver stable performance
- The low correlation between RMB assets and global markets will reduce impact of the pressure caused by the tightening of Global monetary policy

Source: CFETS, ICE, Bloomberg, as at 8 April 2022



Investment grade bond yields are more attractive

- Under the global risk aversion caused by the US Fed interest rate hike, tightening of global liquidity and geopolitical conflicts, global investment grade bonds outperformed high-yield bonds
- The yield of USD investment grade bond (hedged back to RMB) is attractive
- The new issuance of offshore RMB dim sum bonds is booming in recent year, and dim sum bonds have historically exhibited ability to elevate defensiveness of the portfolio
- The yield of onshore RMB treasury bonds remained stable, while onshore and offshore RMB bonds have been top performers in the global fixed income market

Chart 5: Historical performance of investment grade fixed income assets



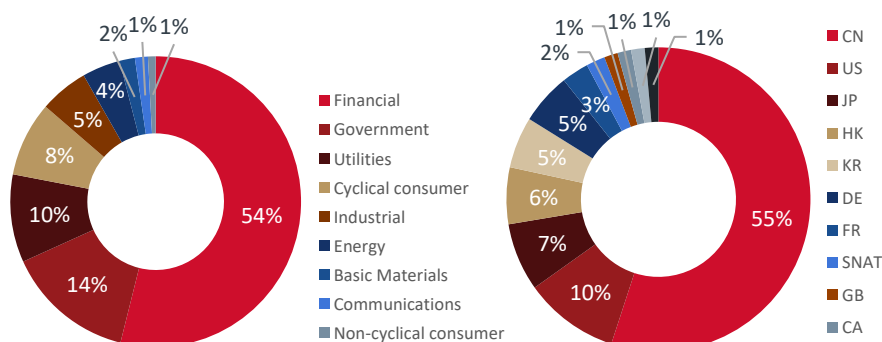
Source: Bloomberg, as at 8 April 2022



Flexibility • Multi-allocation • Stable dividend

- The portfolio navigates volatility by maintaining 100% exposure in investment grade bonds which primarily consist of China onshore RMB bonds, offshore dim sum bonds, and global USD bonds (hedged back to RMB)
- The target annualized dividend yield of RMB share is 4%*, providing stable and consistent cash flow
- The portfolio is highly diversified across different markets, countries and industries to seize onshore and offshore opportunities arising from change in economic cycle, policy orientation and rate trend
- The portfolio flexibly manages interest rate risk through different rate hedging tools

Chart 6: Sector & geographical exposure of model portfolio#



Source: ChinaAMC (HK), as at 8 April 2022



Onshore RMB bond

Offshore Dim Sum bond

Global investment-grade bond
(hedged back to RMB)

*The target annualized dividend yield is 4%. The annualized dividend yield is calculated based on the latest dividend distribution with dividend reinvested, and may be higher or lower than the actual annual dividend yield. Positive distribution yield does not imply positive return. Dividend is not guaranteed. Annualized dividend yield = $[(1 + \text{distribution per unit/ex-dividend NAV})^4] - 1$.

The model portfolio is for reference only and may be different from the fund's actual investment portfolio. The Fund's actual portfolio construction may change at any time without prior notice to investors.



Fund details

Investment objective	The Sub-Fund seeks to achieve capital appreciation and income generation by investing primarily (i.e. at least 70% of the Net Asset Value of the Sub-Fund) in a fixed income portfolio with exposure to RMB. The Sub-Fund's primary investment in fixed income instruments above include but are not limited to bonds, fixed and floating rate securities, convertible bonds, contingent convertible bonds (Additional Tier 1 and Tier 2 Capital Instruments), money market instruments (including commercial papers, certificates of deposits, and commercial bills).
Base currency	RMB
Domicile	Hong Kong
Settlement	T+5
Management fee	Class A : 0.75% p.a.; Class I : 0.40% p.a.
Initial charge	Class A : up to 5%; Class I : nil
Redemption charge	Nil
Switching fee	Up to 1%
Trading currency	RMB / HKD / USD
Dividend frequency	Quarterly, subject to the discretion of the Manager. Distributions may be paid out of capital or effectively paid out of capital, which will result in an immediate reduction of the net asset value per Unit.
Custodian	Bank of China (Hong Kong) Limited
Trustee	BOCI-Prudential Trustee Limited

Fund manager



Jane CAI

Managing Director
Head of Fixed Income Investment
Portfolio Manager

- As an industry veteran, Ms. Cai has over 15 years of experience in fixed income investment. She leads ChinaAMC Hong Kong's fixed income team that manages a comprehensive suite of fixed income strategies including investment-grade and high yield across China, Asia and global markets.
- The two flagship strategies she manages – Asia bond and global investment grade bond, have maintained top rankers amongst peers.
- Ms. Cai won the title of "Outstanding Fund Manager of the Year - Asian Bond Category" in "2019 & 2021 Benchmark Fund Awards" for her outstanding investment performance and superior team management capabilities.

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