

ChinaAMC China Focus Fund

Fund Factsheet



As of 30 Sep 2022

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 18.60 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 | USD10.738 | AUD15.350 | EUR 14.773 | HKD 11.075 | SGD 12.072 |
| 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-SI ³ |
|-------------------|---------|---------|---------|---------|------------------------------|----------------------------|
| Fund (USD) | -12.84% | -14.84% | -13.63% | -38.73% | +7.38% | +0.60% |
| Fund (AUD) | -7.08% | -8.93% | +0.87% | -30.62% | +53.50% | +3.70% |
| Fund (EUR) | -10.54% | -9.12% | -1.91% | -27.14% | +47.73% | +3.36% |
| Fund (HKD) | -12.84% | -14.81% | -13.44% | -38.10% | +10.75% | +0.87% |
| Fund (SGD) | -10.36% | -12.20% | -8.43% | -34.92% | +20.72% | +1.61% |

▲ Yearly Return¹

| | 2017 | 2018 | 2019 | 2020 | 2021 | 2022YTD |
|-------------------|---------|---------|---------|---------|--------|---------|
| Fund (USD) | +43.61% | -25.59% | +16.79% | +27.63% | -6.11% | -30.94% |
| Fund (AUD) | +43.55% | -17.15% | +16.90% | +16.27% | +1.17% | -21.90% |
| Fund (EUR) | +43.72% | -21.77% | +18.97% | +17.46% | +2.38% | -19.83% |
| Fund (HKD) | +43.65% | -25.37% | +16.22% | +27.23% | -4.58% | -30.47% |
| Fund (SGD) | +43.64% | -23.85% | +14.97% | +25.75% | -2.71% | -26.50% |

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.

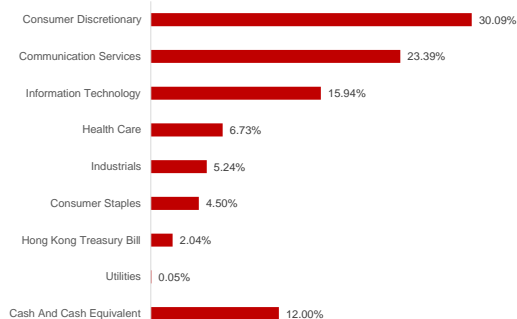
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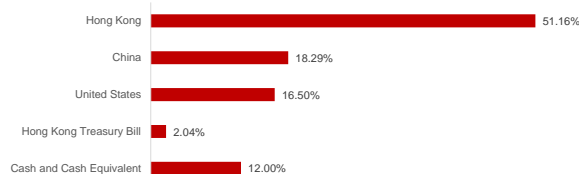


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

In September, the Hang Seng Index fell by 13.69%, and the Hang Seng Technology Index fell by 19.27%. The fund recorded a negative return of -12.84% this month, slightly outperforming the Hang Seng Index by about 0.85%.

The Hang Seng Index fell to its lowest level since October 2011, and daily trading volume of A shares shrank to a 23-month low. The Fed raised interest rates by 75 basis points, which was in line with expectations, but the dot plot shows that most officials expect to increase interest rates by 125 basis points by the end of this year. After the announcement of the resolution, the U.S. dollar index rose above 111, continuing to hit a new high in nearly 20 years; the 2-year U.S. Treasury yield hit a nearly 15-year high and rose above 4% in the second half of the week. Concerns about Sino-US relations caused by the situation in the Taiwan Strait, concerns about the risk of China spillover caused by the escalation of the situation in Russia and Ukraine, and the domestic economic recovery weakened by the strict control of the new crown epidemic have depressed market sentiment.

China's LPR remained unchanged in September, and the central bank restarted 14-day reverse repurchase operations near the end of the quarter. The 1-year and 5-year LPRs remained unchanged in September, in line with market expectations. The central bank said that the current real interest rate is lower than the potential real economic growth rate, which is at a relatively reasonable level and is the best strategy to leave room; the average interest rate of corporate loans at the end of August was 4.05%, the lowest value since statistics. Near the peak of the monthly tax period and the long holiday at the end of the quarter, the central bank restarted the 14-day reverse repurchase operation to increase the supply of funds in a timely manner. Bailout funds have been set up in many places to promote the delivery of buildings. The China Banking and Insurance Regulatory Commission stated that the incremental risks of local government hidden debts have been basically controlled, the resolution of existing risks is progressing in an orderly manner, and the momentum of real estate financialization and bubbles has been substantially reversed.

The short-term market is still dominated by risk aversion. Defensive sectors such as telecommunications, essential consumption, banking, and Hong Kong local stocks performed better, while growth sectors such as medicine, technology, and the Internet fell sharply. We will continue to closely follow the above-mentioned external factors, the recovery process of China's economy and the policy of stabilizing growth, as well as the situation of the 20th National Congress of the Communist Party of China.

Date source: Bloomberg. As of 30 Sep 2022

▲ Top 5 Holdings

| Security Name | Sector | Weight |
|--|------------------------|--------|
| China Mobile Ltd | Communication Services | 10.25% |
| Meituan | Consumer Discretionary | 10.25% |
| China Telecom Corp Ltd | Communication Services | 9.86% |
| Luckin Coffee Inc | Consumer Discretionary | 6.01% |
| Semiconductor Manufacturing International Corp | Information Technology | 5.99% |

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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.