

# ChinaAMC China Focus Fund

## Fund Factsheet



As of 31 May 2023

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 Performance<sup>1</sup>



### ▲ Fund Information<sup>2</sup>

<b>Legal Structure</b>	Hong Kong domiciled umbrella structure unit trust
<b>Investment Manager</b>	China Asset Management (Hong Kong) Limited
<b>Inception Date</b>	10 December, 2010
<b>Fund Size</b>	USD 18.87 million
<b>Base Currency</b>	USD
<b>Available Dealing Currencies</b>	USD/EUR/GBP/AUD/SGD/HKD
<b>Dealing Frequency</b>	Daily
<b>Trustee</b>	Cititrust Limited
<b>Custodian</b>	Citibank, N.A. (Hong Kong branch)
<b>Management Fee</b>	1.8% p.a.
<b>Subscription Charge:</b>	Up to 5%
<b>Performance Fee:</b>	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
<b>Fund Price</b>	USD11.033	AUD15.671	EUR 13.949	HKD 11.349	SGD 11.713
<b>Bloomberg Ticker</b>	CACFUSD HK	CACFAUD HK	CACFEUR HK	CACFHKD HK	CACFSGD HK
<b>ISIN Number</b>	HK0000352960	HK0000352911	HK0000352929	HK0000352945	HK0000352952

### ▲ Cumulative Return<sup>1</sup>

	1 Month	3 Month	6 Month	1 Year	Since Inception <sup>3</sup>	Annualized- <sup>3</sup> Since Inception
<b>Fund (USD)</b>	-1.01%	+0.98%	-4.91%	-10.34%	+10.33%	+0.79%
<b>Fund (AUD)</b>	+1.08%	+5.23%	-1.60%	-0.62%	+56.71%	+3.67%
<b>Fund (EUR)</b>	+2.51%	+0.45%	-8.16%	-9.91%	+39.49%	+2.70%
<b>Fund (HKD)</b>	-1.28%	+0.71%	-4.63%	-10.54%	+13.49%	+1.02%
<b>Fund (SGD)</b>	+0.53%	+1.64%	-5.98%	-11.39%	+17.13%	+1.28%

### ▲ Yearly Return<sup>1</sup>

	2018	2019	2020	2021	2022	2023YTD
<b>Fund (USD)</b>	-25.59%	+16.79%	+27.63%	-6.11%	-28.72%	-0.46%
<b>Fund (AUD)</b>	-17.15%	+16.90%	+16.27%	+1.17%	-23.56%	+4.31%
<b>Fund (EUR)</b>	-21.77%	+18.97%	+17.46%	+2.38%	-24.04%	-0.35%
<b>Fund (HKD)</b>	-25.37%	+16.22%	+27.23%	-4.58%	-28.64%	-0.16%
<b>Fund (SGD)</b>	-23.85%	+14.97%	+25.75%	-2.71%	-29.08%	+0.56%

<sup>1</sup>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.

<sup>2</sup>Please refer to the Explanatory Memorandum for full product disclosure including fees.

<sup>3</sup>Calculated since the inception date of respective share class.

Source: China Asset Management (Hong Kong) Limited and Bloomberg unless specified otherwise.

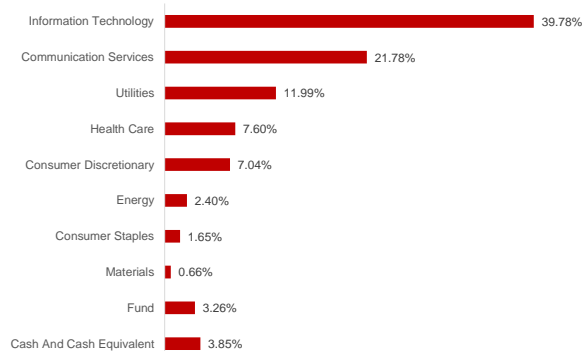
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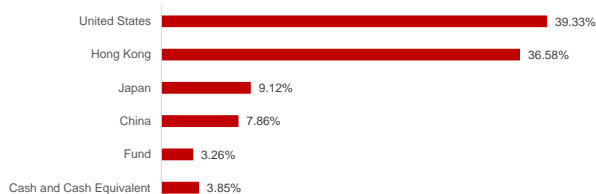


### ▲ Portfolio Allocation

#### Sector Exposure (%)



#### Geographical Exposure (%)



### ▲ Manager's Comment

In May, the Hang Seng Index fell 8.35%, while the Hang Seng Technology Index dropped 7.04%. The fund recorded a positive return of 1.4%, slightly underperforming the Hang Seng Index by about 0.1%, but outperforming the MSCI China Index by approximately 0.5%.

Better-than-expected profits from internet companies failed to significantly boost market sentiment. April economic data was below expectations, and concerns over the economic recovery intensified, leading to a weaker renminbi exchange rate and a low market sentiment, causing the Hong Kong stock market to fluctuate and decline. The Shanghai Stock Exchange held a financial industry symposium to discuss promoting valuation improvement in the financial industry. State-owned enterprises such as communication services, energy, and finance continued to outperform the market, while real estate and pharmaceuticals showed weaker performance. Baidu, Tencent, Alibaba, and other companies released better-than-expected earnings this week, but their stock prices did not perform well. Investors lacked confidence in the medium- to long-term economic and consumption outlook, leading to more profit-taking after earnings announcements.

Chinese May PMI data showed that the economy's endogenous momentum is still insufficient. China's Minister of Commerce, Wang Wentao, met with U.S. Trade Representative Katherine Tai. China's May manufacturing PMI fell 0.4 percentage points from April to 48.8%, below the expected value of 49.5%. Both supply and demand sides fell slightly, and insufficient demand remained the main contradiction. The non-manufacturing PMI fell 1.9 percentage points from April to 54.5%, below the expected value of 55.2%. The service industry PMI remained high, while the construction industry PMI fell slightly. New real estate construction still needs to be repaired. The Caixin PMI rebounded in May, indicating that high-energy-consuming industries and infrastructure and real estate investment may be weakening, while consumer demand has not further declined since April. Chinese Commerce Minister Wang Wentao visited the U.S. to attend the Asia-Pacific Economic Cooperation Trade Ministers' Meeting and met with U.S. Trade Representative Katherine Tai to exchange views on Sino-U.S. economic and trade relations and regional and multilateral issues of common concern. State Councillor and Foreign Minister Qin Gang met with Tesla CEO Elon Musk in Beijing, stating that China will continue to promote high-level opening-up, committed to creating a better market-oriented, rule-of-law-based, and internationalized business environment for companies from all countries, including Tesla.

Federal Reserve officials signalled a pause in interest rate hikes in June, and the U.S. May ISM manufacturing index was below expectations. Current Fed board member Christopher Waller said that not raising rates in June would allow Fed officials to carefully analyse more data before deciding on the extent of further policy tightening. Philadelphia Fed President Patrick Harker also said that the Fed needs more time to assess the comprehensive impact of its rate hikes and the possible loan tightening caused by recent banking industry pressure. Nick Timiraos, a Wall Street Journal reporter seen as the "Fed's mouthpiece," believes this means the Fed may pause interest rate hikes in June. The U.S. May ISM manufacturing index was 46.9, below the expected value of 47.0 and the previous value of 47.1, shrinking for seven consecutive months, and with the fastest decline in raw material costs in nearly a year. After the data was released, the U.S. dollar index fell significantly.

Date source: Bloomberg. As of 31 May 2023.

### ▲ Top 5 Holdings

Security Name	Sector	Weight
NVIDIA Corp	Information Technology	9.85%
Microsoft Corp	Information Technology	8.78%
China Mobile Ltd	Communication Services	8.71%
Netflix Inc	Communication Services	7.98%
Kunlun Energy Co Ltd	Utilities	7.93%

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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.