

# ChinaAMC China Focus Fund

## Fund Factsheet



As of 30 Jun 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 19.09 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>	USD11.152	AUD15.399	EUR 13.778	HKD 11.483	SGD 11.825
<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-Since Inception <sup>3</sup>
<b>Fund (USD)</b>	+1.08%	-2.55%	+0.61%	-11.56%	+11.52%	+0.87%
<b>Fund (AUD)</b>	-1.74%	-1.95%	+2.50%	-8.64%	+53.99%	+3.50%
<b>Fund (EUR)</b>	-1.23%	-2.95%	-1.57%	-15.24%	+37.78%	+2.59%
<b>Fund (HKD)</b>	+1.18%	-2.72%	+1.02%	-11.68%	+14.83%	+1.11%
<b>Fund (SGD)</b>	+0.96%	-0.81%	+1.52%	-13.99%	+18.25%	+1.34%

### ▲ 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%	+0.61%
<b>Fund (AUD)</b>	-17.15%	+16.90%	+16.27%	+1.17%	-23.56%	+2.50%
<b>Fund (EUR)</b>	-21.77%	+18.97%	+17.46%	+2.38%	-24.04%	-1.57%
<b>Fund (HKD)</b>	-25.37%	+16.22%	+27.23%	-4.58%	-28.64%	+1.02%
<b>Fund (SGD)</b>	-23.85%	+14.97%	+25.75%	-2.71%	-29.08%	+1.52%

<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.

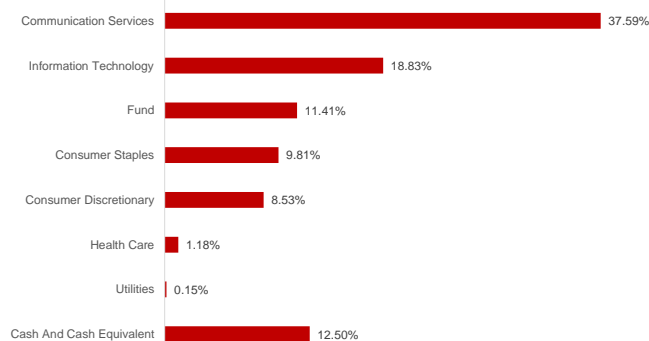
# ChinaAMC China Focus Fund

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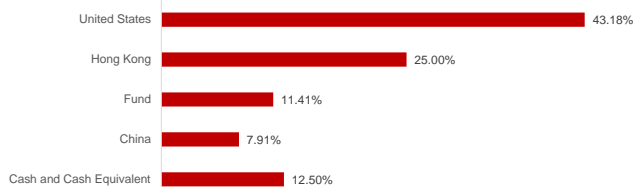


### ▲ Portfolio Allocation

#### Sector Exposure (%)



#### Geographical Exposure (%)



### ▲ Manager's Comment

In May, the Hong Kong market experienced a decline of 8.35% in the Hang Seng Index and 7.04% in the Hang Seng Tech Index. The funds recorded a positive return of 1.4% for the month, slightly underperforming the Hang Seng Index by approximately 0.1%, but outperforming the MSCI China Index by around 0.5%. The better-than-expected profits of internet companies failed to significantly boost market sentiment. Investor concerns about economic recovery intensified due to lower than expected April economic data, weakening of the renminbi exchange rate, and low market sentiment, leading to a volatile decline in the Hong Kong stock market. The Shanghai Stock Exchange held a special financial industry symposium to discuss promoting valuation enhancement in the financial industry. State-owned enterprises, represented by communication services, energy, and finance, continued to outperform the market, while real estate and pharmaceuticals performed weakly. Baidu, Tencent, Alibaba, and other companies released better-than-expected earnings this week, but their stock prices performed poorly. Investors, lacking confidence in the mid- to long-term economy and consumption, chose to cash in more after the earnings announcements.

China's May PMI data showed that the economy's internal momentum remains weak. Minister of Commerce Wang Wentao met with US Trade Representative Katherine Tai during the Asia-Pacific Economic Cooperation Trade Ministers' Meeting. China's manufacturing PMI in May fell by 0.4 percentage points to 48.8%, lower than the expected value of 49.5%. Both the supply and demand sides declined slightly, and insufficient demand remains the main contradiction. Non-manufacturing PMI fell by 1.9 percentage points to 54.5%, lower than the expected value of 55.2%. The service sector PMI remained high, while the construction sector PMI fell slightly, and new real estate starts are still waiting for repairs. The Caixin PMI rebounded in May, indicating that high-energy-consuming industries and investment in infrastructure and real estate are weakening, while consumer demand did not further decline from April. Minister of Commerce Wang Wentao visited the US to participate in the Asia-Pacific Economic Cooperation Trade Ministers' Meeting and met with US Trade Representative Katherine Tai to exchange views on Sino-US economic and trade relations and regional and multilateral issues of common concern. State Councilor and Foreign Minister Qin Gang met with Tesla CEO Elon Musk in Beijing and stated that China will continue to promote high-level opening up to create a better market-oriented, law-based, and internationalized business environment for enterprises of all countries, including Tesla.

A Fed official signaled a pause in rate hikes for June, and the US May ISM Manufacturing Index was lower than expected. Current Fed Governor Jefferson stated that not raising rates in June would allow Fed officials to carefully analyze more data before deciding on the extent of further policy tightening, while Philadelphia Fed President Harker also stated that the Fed needs more time to evaluate the comprehensive impact of its rate hikes and the possible loan contraction caused by recent banking pressures. Nick Timiraos, considered the "voice of the Fed" in the Wall Street Journal, believes that this means the Fed may pause rate hikes in June. The US May ISM Manufacturing Index was 46.9, lower than the expected value of 47.0 and the previous value of 47.1, contracting for seven consecutive months. The decline in raw material costs was the fastest in nearly a year, and the dollar index fell sharply after the data was released.

Date source: Bloomberg. As of 30 Jun 2023.

### ▲ Top 5 Holdings

Security Name	Sector	Weight
China Mobile Ltd	Communication Services	9.97%
Tencent Holdings Ltd	Communication Services	8.90%
Apple Inc	Information Technology	8.61%
Kweichow Moutai Co Ltd	Consumer Staples	7.91%
Meta Platforms Inc	Communication Services	5.30%

Customer Hotline: (852) 3406 8686

Website: [www.chinaamc.com.hk](http://www.chinaamc.com.hk)

Email: [hkfund\\_services@chinaamc.com](mailto:hkfund_services@chinaamc.com)

#### 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.