

ChinaAMC China Focus Fund

Fund Factsheet



As of 31 Aug 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 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 18.64 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	USD11.154	AUD15.830	EUR 13.851	HKD 11.492	SGD 11.802
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-Since Inception ³
Fund (USD)	-8.86%	+1.10%	+2.09%	-9.46%	+11.54%	+0.86%
Fund (AUD)	-5.17%	+1.01%	+6.30%	-4.17%	+58.30%	+3.68%
Fund (EUR)	-7.42%	-0.70%	-0.25%	-16.13%	+38.51%	+2.59%
Fund (HKD)	-8.36%	+1.26%	+1.98%	-9.55%	+14.92%	+1.10%
Fund (SGD)	-7.30%	+0.76%	+2.41%	-12.36%	+18.02%	+1.31%

▲ Yearly Return¹

	2018	2019	2020	2021	2022	2023YTD
Fund (USD)	-25.59%	+16.79%	+27.63%	-6.11%	-28.72%	+0.63%
Fund (AUD)	-17.15%	+16.90%	+16.27%	+1.17%	-23.56%	+5.36%
Fund (EUR)	-21.77%	+18.97%	+17.46%	+2.38%	-24.04%	-1.05%
Fund (HKD)	-25.37%	+16.22%	+27.23%	-4.58%	-28.64%	+1.10%
Fund (SGD)	-23.85%	+14.97%	+25.75%	-2.71%	-29.08%	+1.32%

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.

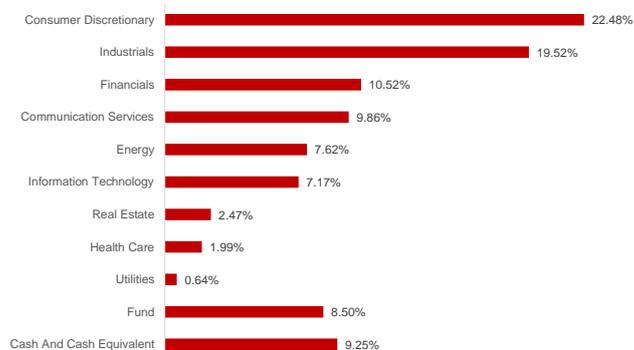
ChinaAMC China Focus Fund

Fund Factsheet

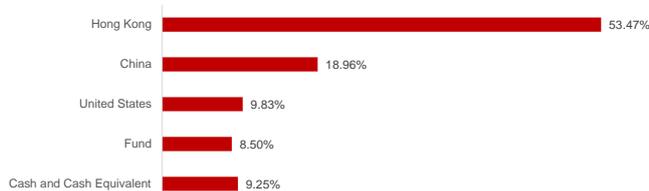


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

In August, the Hong Kong market saw the Hang Seng Index fall by 8.45% and the Hang Seng Tech Index decline by 8.14%. During the same month, the funds recorded a negative return of 8.86%, slightly underperforming the Hang Seng Index by approximately 0.4% and underperforming the MSCI China A Index by approximately 0.2%.

In July, the manufacturing PMI increased by 0.3 percentage points compared to June, reaching 49.3%. This was higher than the expected value of 48.8%. However, it still remained below the threshold of 50, indicating contraction. Domestic demand showed marginal improvement, but external demand continued to weaken. A more significant improvement in economic momentum still requires stronger policy support. In July, the CPI decreased by 0.3% year-on-year, lower than the expected decline of 0.5%. The PPI declined by 4.4% year-on-year, also lower than the expected decline of 4.1%. Core inflation remained weak against the backdrop of a weak post-pandemic recovery. Weak durable goods consumption and youth unemployment were the main factors restraining core inflation. The PPI has confirmed its bottoming out, but the expected upward trend is still relatively weak. In July, China's export amount in USD decreased by 14.5% year-on-year, lower than the expected decline of 11.4%. Import amount in USD decreased by 12.4% year-on-year, lower than the expected decline of 6.8%. The high base of comparison exerted downward pressure on export growth, while the growth rate of imported downstream industrial products remained low. On August 21, the People's Bank of China lowered the one-year LPR by 10 basis points, while keeping the five-year LPR unchanged. This was the second LPR cut since 2023, with the reduction in the five-year LPR being smaller than expected. This move may create room for future downward adjustments in mortgage loan rates to avoid putting excessive pressure on bank interest margins. On August 24, the China Securities Regulatory Commission held a meeting with the National Social Security Fund Council and the heads of major banks and insurance institutions. It was emphasized that various types of medium- to long-term funds, such as pension funds, insurance funds, and bank wealth management funds, should mutually promote and develop the capital market. In the context of China's economic transformation and upgrading, deepening financial market reforms, and the downward shift in long-term interest rates, the development of equity investments by medium- to long-term funds, including pension funds, insurance funds, and bank wealth management funds, is timely. Regarding the real estate sector, an article in the Economic Daily stated that the positioning of "housing is for living, not for speculation" will not change. Coupled with the lack of significant improvement in real estate sales and a substantial weakening of loose policy expectations, real estate stocks have underperformed. The focus for investors going forward will continue to be on the intensity and pace of the introduction of policies related to the capital market and the real estate industry.

▲ Top 5 Holdings

Security Name	Sector	Weight
Zhejiang Sanhua Intelligent Controls Co Ltd	Industrials	9.53%
Tencent Holdings Ltd	Communication Services	9.02%
Alibaba Group Holding Ltd	Consumer Discretionary	8.70%
Meituan	Consumer Discretionary	4.97%
Futu Holdings Ltd	Financials	4.45%

Date source: Bloomberg. As of 31 Aug 2023.

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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.