

ChinaAMC China Focus Fund

Fund Factsheet



As of 30 Sep 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 18.41 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	USD11.118	AUD15.834	EUR 14.154	HKD 11.441	SGD 11.890
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)	-0.32%	-0.30%	-2.85%	+3.54%	+11.18%	+0.83%
Fund (AUD)	+0.03%	+2.82%	+0.81%	+3.15%	+58.34%	+3.65%
Fund (EUR)	+2.19%	+2.73%	-0.30%	-4.19%	+41.54%	+2.75%
Fund (HKD)	-0.44%	-0.37%	-3.08%	+3.30%	+14.41%	+1.06%
Fund (SGD)	+0.75%	+0.55%	-0.27%	-1.51%	+18.90%	+1.36%

▲ Yearly Return¹

	2018	2019	2020	2021	2022	2023YTD
Fund (USD)	-25.59%	+16.79%	+27.63%	-6.11%	-28.72%	+0.31%
Fund (AUD)	-17.15%	+16.90%	+16.27%	+1.17%	-23.56%	+5.39%
Fund (EUR)	-21.77%	+18.97%	+17.46%	+2.38%	-24.04%	+1.11%
Fund (HKD)	-25.37%	+16.22%	+27.23%	-4.58%	-28.64%	+0.65%
Fund (SGD)	-23.85%	+14.97%	+25.75%	-2.71%	-29.08%	+2.08%

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.

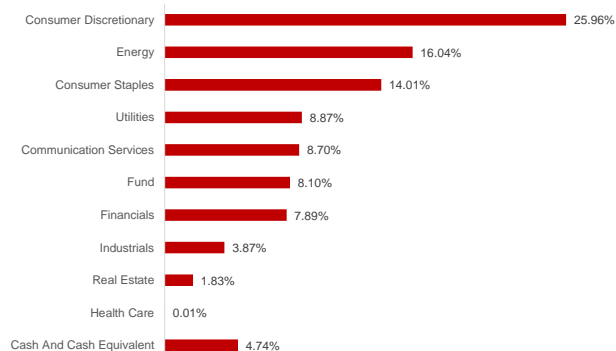
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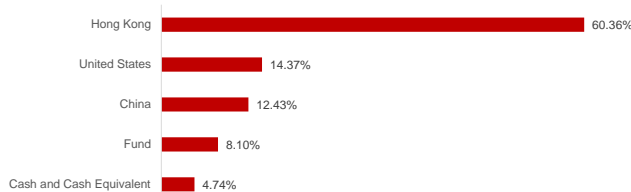


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

The Hong Kong market experienced a decline in September, with the Hang Seng Index falling by 3.11% and the Hang Seng Tech Index dropping by 6.19%. The fund recorded a negative return of 0.32% for the month, outperforming the Hang Seng Index by approximately 2.8% and the MSCI China Index by around 2.4%.

In China, financial data for August showed a characteristic of good overall quantity but poor structure. Credit growth was mainly supported by bill financing, while social financing relied on government bonds. This indicates that policies are supporting stable credit growth, but demand remains relatively weak. The issuance of government bonds and local government bonds will continue to support overall social financing in the fourth quarter.

In August, China's total retail sales of consumer goods grew by 4.6% year-on-year, surpassing expectations of 3% and the previous value of 2.5%. The year-on-year growth of industrial value-added output for enterprises above a certain scale was 4.5%, higher than the expected 3.9% and the previous value of 3.7%. Major economic data showed a stabilizing and recovering trend. On September 14, the People's Bank of China announced a comprehensive reserve requirement ratio cut, which is expected to release more than 500 billion yuan of medium- to long-term liquidity, contributing to improved risk appetite in the stock, bond, and foreign exchange markets. Additionally, the People's Bank of China will issue 15 billion yuan of 6-month central bank bills in Hong Kong on September 19, helping to tighten offshore liquidity and maintain stability in the offshore renminbi exchange rate.

In August, the profits of industrial enterprises above a certain scale in China turned from a decline to growth, with a year-on-year growth rate of 17.2%, up 23.9 percentage points from the previous month. This marked the first positive growth since June 2022. Profits in the midstream and downstream sectors showed significant improvement on a month-on-month and year-on-year basis. Factors driving the increase in industrial enterprise profit growth include the recovery of domestic demand, marginal improvement in exports, and rising prices. The improvement trend is expected to continue in September.

The monetary policy meeting of the central bank in the third quarter showed a more positive assessment of the domestic economy compared to the second quarter. However, it still emphasized the need for "continued efforts" in policy implementation, "increased implementation intensity" of already introduced monetary policies, and "promoting low-level inflation." Regarding the exchange rate, it emphasized the need to "resolutely guard against exchange rate overshooting risks." Additionally, Inner Mongolia plans to issue 66.32 billion yuan of special refinancing bonds to repay overdue corporate debts, which is expected to accelerate the debt-to-equity conversion process.

China's real estate policies continue to relax, and stimulating measures for the Hong Kong stock market are set to be launched. On September 19, two provincial capital cities announced new real estate policies: Wuhan canceled housing purchase restrictions within the Second Ring Road, and Xi'an canceled regional purchase restrictions outside the Second Ring Road. On September 20, Guangzhou issued new measures to stabilize the property market, adjusting the implementation areas of housing purchase restrictions. The period of exemption from value-added tax for second-hand homes was changed from "5 years to 2 years," and the duration of social security contributions for non-local residents purchasing their first homes was reduced from 5 years to 2 years. On September 21, Secretary for Financial Services and the Treasury Christopher Hui stated that the "Task Force on Improving Stock Market Liquidity" is holding additional meetings to explore methods to enhance liquidity in the Hong Kong stock market and will submit recommendations as soon as possible. Additionally, former governor of the central bank, Yi Gang, suggested in an article to moderately increase the strength of macroeconomic policy regulation, support the expansion of domestic demand, promote a virtuous economic cycle, and ensure the smooth realization of the target of around 5% annual growth.

▲ Top 5 Holdings

Security Name	Sector	Weight
Kunlun Energy Co Ltd	Utilities	8.87%
Tencent Holdings Ltd	Communication Services	8.54%
Brilliance China Automotive Holdings Ltd	Consumer Discretionary	7.05%
TAL Education Group	Consumer Discretionary	5.19%
PetroChina Co Ltd	Energy	5.04%

Date source: Bloomberg. As of 30 Sep 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.