

# ChinaAMC China Opportunities Fund

## Fund Factsheet



Morningstar Rating™<sup>6</sup>

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"<sup>2</sup>  
(Applicable to Class A Acc HKD Only)



As of 30 Dec 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 focuses on investing in equities of China-related companies with registered offices located in the People's Republic of China ("PRC") and/or Hong Kong, and/or China-related companies that do not have their registered offices in the PRC or Hong Kong but either (a) carry out a predominant proportion of their business activities in the PRC or Hong Kong, or (b) are holding companies which predominantly own companies with registered offices in the PRC or Hong Kong.
  - Investment in equity securities is subject to market risk and the prices of such securities may be volatile. Factors affecting the stock values are numerous, including but not limited to changes in investment sentiment, political environment, economic environment, regional or global economic instability, currency and interest rate fluctuations. If the market value of equity securities in which the Fund invests in goes down, the net asset value of the Fund may be adversely affected, and investors may suffer substantial losses.
  - The Fund focuses its investments on China-related equity securities. The Fund is likely to be more volatile than a broad-based fund, as the Fund is more susceptible to fluctuations in value resulting from limited number of holdings or from unfavourable performance in such equity securities that the Fund invests in.
  - The Fund may invest in the PRC markets via indirect means, which involve certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity, legal and regulatory risk.
  - The Fund may invest in the PRC domestic securities market indirectly through RQFII funds which may be subject to RMB currency risk, RQFII regime risk, A-Share market risk, RQFII ETFs risk and PRC tax risk.

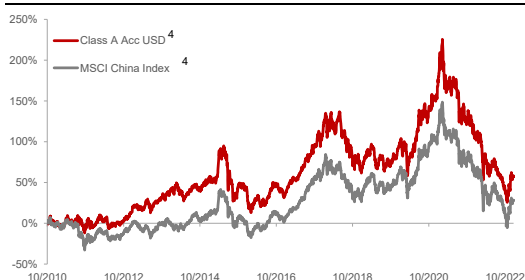
### ▲ Investment Objective

The Fund seeks to maximise capital growth by investing primarily (i.e. at least 70% of its net assets) in China related listed equity securities.

### ▲ Fund Information<sup>5</sup>

Legal Structure	Luxembourg SICAV (UCITS)
Investment Manager	China Asset Management (Hong Kong) Limited
Fund Size	USD 52.71 million
Base Currency	USD
Non-Base Currency Share Classes	EUR, GBP <sup>1</sup> and HKD
Dealing Frequency	Daily
Management Company	FundRock Management Company S.A.
Depository	Brown Brothers Harriman (Luxembourg) S.C.A.

### ▲ Fund Performance<sup>3</sup>



	Class A Acc USD	Class A Acc EUR	Class A Acc HKD	Class I Acc USD
Launch Date	11-Oct-2010	11-Nov-2010	3-Nov-2014	22-Dec-2011
NAV per share	USD 15.737	EUR 18.445	HKD 108.492	USD 18.061
Bloomberg Code	CHCOAAU LX	CHCOAAE LX	CHCOAAH LX	CHCOIAU LX
ISIN Code	LU0531876844	LU0531876760	LU1097445909	LU0531877578
Initial Charge	Up to 5%	Up to 5%	Up to 5%	Up to 3%
Investment Management Fee	1.8% p.a.	1.8% p.a.	1.8% p.a.	1.0% p.a.
Minimum Initial Subscription	USD 1,000	EUR 1,000	HKD 10,000	USD 500,000

### ▲ Cumulative Return<sup>3</sup>

	1 Month	3 Month	6 Month	1 Year	Since Inception <sup>6</sup>	Annualized-SI <sup>6</sup>
Class A Acc USD	+5.47%	+10.88%	-10.40%	-24.45%	+57.37%	+3.78%
MSCI China (in USD)	+5.20%	+13.51%	-12.02%	-21.93%	+23.77%	+1.76%
Class A Acc EUR	+2.32%	+1.39%	-12.71%	-19.91%	+84.45%	+5.17%
Class A Acc HKD	+5.37%	+10.09%	-10.99%	-24.49%	+8.49%	+1.00%
Class I Acc USD	+5.54%	+11.11%	-10.02%	-23.81%	+80.61%	+5.51%

### ▲ Yearly Return<sup>3</sup>

	2017	2018	2019	2020	2021	2022YTD
Class A Acc USD	+55.86%	-19.82%	+16.11%	+37.62%	-22.29%	-24.45%
MSCI China (in USD)	+54.07%	-18.88%	+23.46%	+29.49%	-21.72%	-21.93%
Class A Acc EUR	+37.10%	-16.06%	+18.40%	+25.91%	-15.75%	-19.91%
Class A Acc HKD	+57.08%	-19.65%	+15.45%	+37.01%	-21.84%	-24.49%
Class I Acc USD	+57.17%	-19.15%	+17.10%	+38.78%	-21.65%	-23.81%

<sup>1</sup>Not available in HK.

<sup>2</sup>The fund is approved as Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme" of Hong Kong Special Administrative Region.

<sup>3</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.

<sup>4</sup>Calculated since the inception date of Class A Acc USD share class.

<sup>5</sup>Please refer to the Fund's prospectus for further details (including fees).

<sup>6</sup>Source: © 2022 Morningstar. All Rights Reserved. Data as of 30 Dec 2022.

<sup>7</sup>Calculated since the inception date of each respective share class.

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

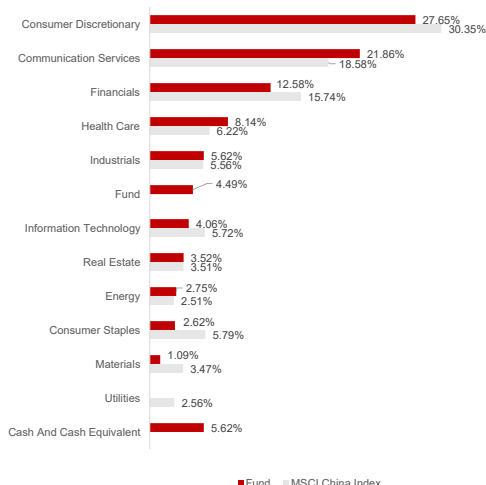
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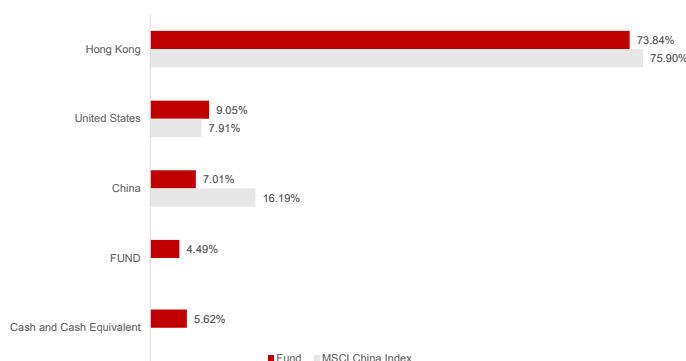


### ▲ Portfolio Allocation

#### Sector Exposure (%)



#### Geographical Exposure (%)



### ▲ Manager's Comment

MSCI China index rose by 5.20% in the month of December, mainly driven by the definitively faster-than-expected reopening process of China, the CEWC's positive tone on POEs and platform economy, the easing property regulations and the removal of China ADRs' delisting risk. On Dec 7, following the "20 measures" in November, Chinese government unveiled new "10 measures" to further relax its COVID policies, including the home quarantine option for eligible cases, significant relaxation of PCR testing requirements and more policy push for the elderly vaccination. On Dec 26, China released new guidelines to significantly relax its COVID control policy for both domestic infections and inbound travelers, effective from Jan 8, 2023. Also, the NHC announced the downgrade of COVID management to Level 2 from Level 1 and rename "COVID-19 pneumonia" as "COVID-19 infection", which marked the eventual exit from the Zero-COVID policy and actual reopening.

The relaxation of COVID control measures without any doubt means a surge of infected cases in the mainland China. Based on the survey data, about 70% of the population in mainland China have been infected and most cities have passed the peak of recent COVID resurgence. China's domestic consumption and transportation have entered a rapid recovery mode, especially in the cities where the first COVID wave peaked. The CEWC listed 5 key tasks in 2023: boosting domestic demand, accelerating the development of modern industrial system, equally supporting for SOEs and POEs, encouraging foreign investment, and taking effective measures to prevent and mitigate economic and financial risks. The policy stance will help boost investor confidence and further policy support on domestic demand could be expected. On Dec 15, the PCAOB announced that it was able to inspect and investigate completely issuer audit engagements of PCAOB-registered accounting firms headquartered in mainland China and Hong Kong, which effectively removed the delisting risk of China ADRs.

China's manufacturing PMI further dropped to 47.0 in Dec from 48.0 in Nov, the lowest reading since Feb 2020. This number has stayed in the contraction territory over the past 3 months as COVID resurgence negatively impacted domestic demand and supply. The new order sub-index fell to 43.9 in Dec from 46.4 in Nov, and the output sub-index fell to 44.6 in Dec from 47.8 in Nov. The non-manufacturing PMI fell sharply to 41.6 in Dec from 46.7 in Nov, hit by the acceleration of COVID cases. The services sub-index fell significantly to 39.4 in Dec from 45.1 in Nov, and the construction sub-index fell modestly to 54.4 in Dec from 55.4 in Nov. Although the adjustment of COVID control measures will put pressure on the short-term economic growth, the earlier-than-expected reopening process will benefit the growth in 2023.

Looking forward, we maintain our long-term positive view on China equity market. With the reopening of China's economy and the introduction of more stabilization policies, China's economic growth is expected to accelerate to at least 5% in 2023, with corporate earnings gaining support and market uncertainties likely to diminish. Meanwhile, investors' higher risk appetite and reduced impacts from external adverse factors are all pointing to improved return prospects in the coming year. The even faster reopening track and clearer signals of policy makers prioritizing the economy should support the 1Q23 earnings growth bottoming out trajectory, and investors would turn focus to the post-reopening recovery and assess the impact from recent policy pivots for both near and longer term.

In terms of portfolio positioning, we will continue to seek a balance between value and growth and pay more attention to both long-term policy beneficiaries (eg. software localization and advanced manufacturing), short-term policy beneficiaries (property and property-related sectors) and reopening-related opportunities (eg. consumer, Internet, financials and healthcare).

Data source: Bloomberg, As of 30 Dec 2022.

### ▲ Top 5 Holdings

Security Name	Sector	Weight
Tencent Holdings Ltd	Communication Services	10.48%
Meituan	Consumer Discretionary	5.84%
Alibaba Group Holding Ltd	Consumer Discretionary	5.79%
ChinaAMC New Horizon China A Share Fund	Fund	4.49%
Hong Kong Exchanges & Clearing Ltd	Financials	4.04%

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#### Important Note

Performance is net of Fund level fees/expenses but not sales charges which will reduce returns. Investment involves risks. The value of the Fund's shares 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.