

# ChinaAMC China Opportunities Fund <sup>1</sup>

## Fund Factsheet

This is a marketing communication

★★★  
Morningstar Rating™<sup>6</sup>

Eligible Collective Investment Scheme under "Capital Investment Entrant Scheme"<sup>2</sup>



As of 31 Jul 2024

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 communication 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 QFI funds which may be subject to RMB currency risk, QFI regime risk, A-Share market 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 8.44 million
Base Currency	USD
Non-Base Currency Share Classes	EUR, GBP 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
Launch Date	11-Oct-2010	11-Nov-2010	3-Nov-2014
NAV per share	USD 13.179	EUR 15.219	HKD 91.067
Bloomberg Code	CHCOAAU LX	CHCOAAE LX	CHCOAAH LX
ISIN Code	LU0531876844	LU0531876760	LU1097445909
Initial Charge	Up to 5%	Up to 5%	Up to 5%
Investment Management Fee	1.8% p.a.	1.8% p.a.	1.8% p.a.
Minimum Initial Subscription	USD 1,000	EUR 1,000	HKD 10,000

### ▲ Cumulative Return<sup>3</sup>

	1 Month	3 Month	6 Month	1 Year	Since Inception <sup>7</sup>	Annualized-Since Inception <sup>7</sup>
Class A Acc USD	-3.12%	-4.71%	+9.08%	-20.87%	+31.79%	+2.02%
Reference Index	-1.33%	-0.87%	+15.62%	-12.36%	+13.59%	+0.93%
Class A Acc EUR	-4.22%	-5.63%	+9.14%	-19.41%	+52.19%	+3.11%
Class A Acc HKD	-3.08%	-4.82%	+8.98%	-20.74%	-8.93%	-0.96%

### ▲ Yearly Return<sup>3</sup>

	2019	2020	2021	2022	2023	2024YTD
Class A Acc USD	+16.11%	+37.62%	-22.29%	-24.45%	-10.10%	-6.84%
Reference Index	+23.46%	+29.49%	-21.72%	-21.93%	-11.20%	+3.35%
Class A Acc EUR	+18.40%	+25.91%	-15.75%	-19.91%	-13.35%	-4.77%
Class A Acc HKD	+15.45%	+37.01%	-21.84%	-24.49%	-9.90%	-6.84%

<sup>1</sup>This is a marketing communication. Please refer to the prospectus of the fund before making any final investment decisions.

<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. The reference index MSCI China Index which is presented for comparison purposes only and this fund is actively managed.

<sup>5</sup>Please refer to the Fund's prospectus for more information on general terms, risks and fees.

<sup>6</sup>Source: © 2024 Morningstar. All Rights Reserved.

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

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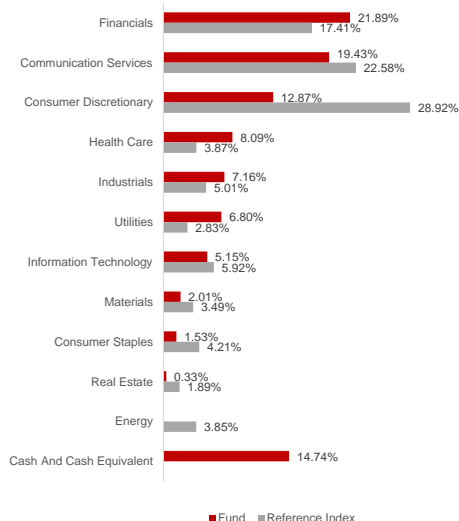
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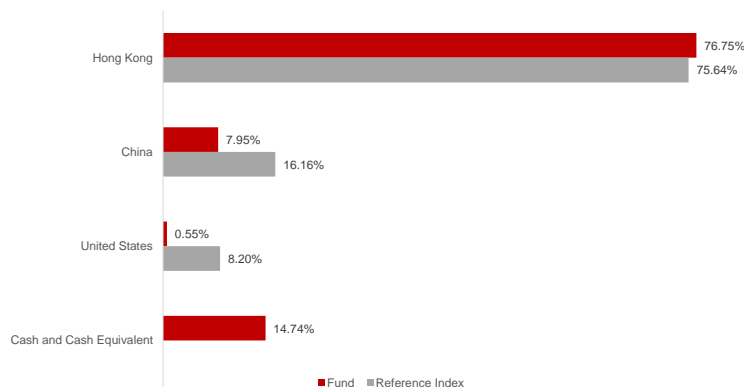


### ▲ Portfolio Allocation

#### Sector Exposure (%)



#### Geographical Exposure (%)



### ▲ Manager's Comment

In July, the MSCI China Index continued to show weakness, ultimately falling by 0.57%. From a macro perspective, high-frequency data indicates an increase in summer travel volume with decreasing prices, resilient exports, but weak investment activity. Second-hand housing transactions strengthened in first-tier cities, while new home transactions remained weak. On July 1st, the central bank announced plans to conduct government bond repurchase operations in the near term, utilizing an open-ended, credit-based borrowing approach for government bonds. Depending on the bond market operations, they will continue to borrow and sell government bonds. On July 8th, the central bank announced plans to conduct temporary reverse repurchase or temporary repo operations as needed, and narrow the interest rate corridor. On July 9th, Premier Li Qiang emphasized the need to reform unreasonable institutional mechanisms and stimulate innovation across society during discussions with economic experts and entrepreneurs. On July 21st, the full text of the "Decision" from the Third Plenum of the Twentieth Central Committee proposed various reform measures including new urbanization, land, fiscal and tax system reforms, promoting technological innovation, and expanding high-level opening up. On July 25th, the National Development and Reform Commission and the Ministry of Finance coordinated to allocate around 300 billion yuan in special long-term government bonds to support large-scale equipment upgrades and consumer goods replacement programs. On July 30th, a meeting of the Central Political Bureau emphasized the unwavering commitment to achieving the annual economic and social development goals, calling for sustained and more forceful macroeconomic policies.

China's manufacturing PMI index edged down to 49.4 in July from 49.5 in June. Among major sub-indexes of NBS manufacturing PMI, the new orders sub-index edged down to 49.3 from 49.5, the output sub-index decreased to 50.1 from 50.6, while the employment sub-index rose to 48.3 from 48.1. The non-manufacturing PMI fell to 50.2 in July from 51.1 in June, with a deceleration of activity in both the construction and services sector in July. The services PMI decreased to 50.0 from 50.2. According to the survey, the PMIs of railway and airline transportation, postal, telecommunication and satellite transmission services industries were above 50, while the PMIs of retail sales, capital market services and real estate services industries were below 50 in July. The construction PMI fell to 51.2 in July from 52.3 in June. NBS commented that the construction activity was impacted by adverse weather conditions such as heatwave, heavy rainfall and floods in July.

Looking forward, we maintain our long-term positive view of the Chinese equity market. Overall, at the end of July, the Political Bureau conveyed some positive policy signals. Emphasizing the increasing unfavorable economic conditions in terms of quantity, it confirmed the commitment to unwaveringly achieve the annual growth target and strengthen countercyclical adjustments as part of the reform and development tasks for the second half of the year. Fiscal stimulus in the second quarter noticeably slowed down, coupled with ongoing credit contraction in the private sector, exerting significant pressure on growth and the market. The recent 300 billion RMB issuance of special long-term government bonds to support equipment upgrades and consumer goods replacement is a very positive signal that can further boost fiscal stimulus. At a structural level, the Political Bureau meeting mentioned supporting the development of leading enterprises, preventing vicious competition, and focusing on boosting consumption to stimulate growth. The State Council also introduced further opinions on promoting high-quality development of consumption last Saturday, bringing structural opportunities through policy support.

In terms of portfolio positioning, we will continue to seek a balance between value and growth. We continue to focus on the long-term policy beneficiaries (e.g. software localization and advanced manufacturing) and economic recovery-related opportunities (e.g. consumer, Internet, and financials). We will prudently pay attention to some thematic opportunities, including AI and SOE re-rating.

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Data source: Bloomberg. As of 31 Jul 2024.

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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.