

ChinaAMC Select RMB Bond Fund

Fund Factsheet



华夏基金(香港)有限公司
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

As of 28 Jun 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 material alone. Please note:

- ChinaAMC Select RMB Bond Fund (the "Fund"), through the RQFII quota obtained by the Manager, invests primarily in RMB denominated fixed income securities issued or distributed in the PRC and may invest a small portion of its assets in PRC A-Shares.
- The Fund is subject to regulations which regulate investments by RQFIIs in the PRC which have just been announced and novel in nature. Any uncertainty and change to the relevant laws and regulations (such as PRC tax laws and repatriation policy) in the PRC may adversely impact the Fund.
- Investment in single country (the PRC) markets involves concentration and other risks not typically associated with investment in more developed economies or markets.
- Investment in RMB debt instruments in the PRC involves liquidity risk, credit risk, credit rating risk and downgrade risk. There may not be a liquid or active market for such RMB debt instruments; the Fund may also be exposed to credit/insolvency risk of issuers of the debt securities. As the credit ratings of the debt instruments of the Fund are largely assigned by the credit agencies in the PRC, the methodologies adopted by such local rating agencies may not be consistent with the international rating agencies. In the event of downgrading in the credit ratings of a debt instrument or its issuer, the Fund's investment value in such security may be adversely affected.
- Investment in the Fund is subject to interest rate risk. Change of macro-economic policies in the PRC such as monetary and fiscal policy may cause changes to market interest rates, affecting the pricing of bonds and thus the return of the Fund.
- The Fund is denominated and settled in RMB; subscription and redemption must be made in RMB. RMB is not freely convertible and is subject to exchange controls and restrictions. There is no guarantee that RMB will not depreciate. HKD Investors may suffer a loss if RMB depreciates against HKD or such other currencies.

▲ Investment Objective

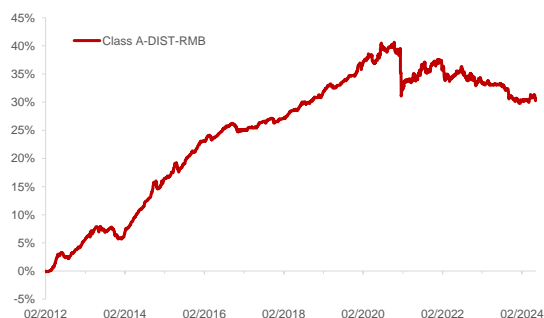
The Fund seeks to achieve capital appreciation and income generation by principally (i.e. up to 100% of its net assets) investing in (i) RMB denominated fixed income instruments, including bonds, issued or distributed within the PRC which (a) are denominated and settled in RMB and (b) are traded on the interbank bond market or are traded or transferred on the exchange market in the PRC, and (ii) fixed income funds (including money market funds) approved by the China Securities Regulatory Commission ("CSRC") and offered to the public in the PRC*.

* Investment in fixed income funds approved by the CSRC which are offered to the public in the PRC will not exceed 10% of the net asset value of the Fund.

▲ Fund Information²

Legal Structure	Hong Kong domiciled umbrella structure unit trust
Investment Manager	China Asset Management (Hong Kong) Limited
Fund Size	RMB 51.09 million
Base Currency	RMB
Non-Base Currency Share Classes	USD, HKD
Dealing Frequency	Daily
Custodian	Bank of China (Hong Kong) Limited
Trustee	BOCI-Prudential Trustee Limited

▲ Fund Performance¹



	Class A DIST RMB Unit	Class A DIST USD Unit
Launch Date	21-Feb-2012	14-Jul-2014
NAV per share	RMB 8.2100	USD 6.5600
Bloomberg Code	CAMSRMB HK	CAMSDAU HK
ISIN Code	HK0000098829	HK0000165487
Initial Charge	Up to 5% p.a.	Up to 5% p.a.
Investment Management Fee	1.25% p.a.	1.25% p.a.
Minimum Initial Subscription	RMB 10,000	USD 1,000

▲ Cumulative Return¹

	1 Month	3 Month	6 Month	1 Year	Since Inception ³	Annualized-Since Inception ³
Class A DIST RMB Unit	-0.24%	+0.24%	-0.12%	-1.96%	+30.58%	+2.18%
Class A DIST USD Unit	-0.60%	-0.16%	-2.47%	-2.04%	-0.19%	-0.02%

▲ Yearly Return¹

	2019	2020	2021	2022	2023	2024YTD
Class A DIST RMB Unit	+3.91%	+2.38%	-1.33%	-3.08%	-1.85%	-0.12%
Class A DIST USD Unit	+2.63%	+9.51%	+1.09%	-11.08%	-4.54%	-2.47%

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. The investment returns are denominated in RMB. US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/RMB exchange rate. With effect from 9 February 2018, the investment strategy of the Fund was changed. Performance information prior to 9 February 2018 was achieved under circumstances that no longer apply. The investment objective of the Fund has also been changed on 11 April 2014.

²Please refer to the Fund's Explanatory Memorandum for further details (including fees).

³Calculated since the relevant inception date of the respective share class.

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

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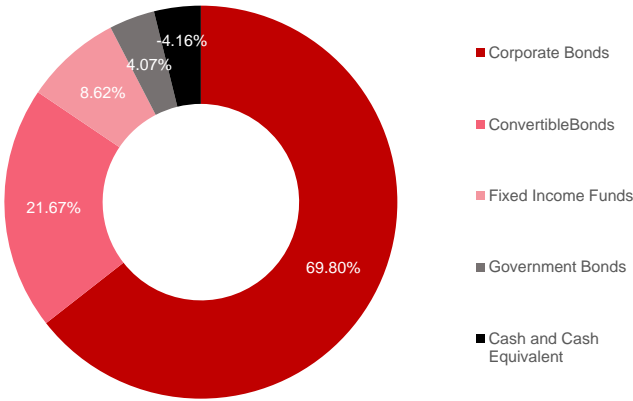
▲ Manager's Comment

The rebound of the Chinese economy in early Q2 appears to be transient. The Official Manufacturing PMI in June has come back to the contracting area. Loans to business has a 2nd decreasing month in a row. Caixin Manufacturing PMI, however, shows a contrary picture where confidence is improving. The discrepancy can be reconciled in a two-speed growth model, as discussed in the previous monthly commentary. CPI continues to disappoint. In a nutshell, the two-speed model remains valid as of now.

While there isn't much new to talk about on the economic front, two important developments on the policy front are worth attention. First, PBoC has outlined its plan for a new policy rate setup. In the new setup, the MLF rate and SLF rate are going to phase out as policy tools. Instead, a tightly managed overnight repo rate is designed to be a policy tool, along with the incumbent 7-day repo rate. PBoC aims to target these repo rates and assist with buy and sell operations on the Treasury bond market to manage the yield curve and influence the borrowing cost of the economy. PBoC will surely follow up with more details in due course. Another critical change in China is the proposed tax reform to be ratified in the coming 3rd CPC plenum. The tax reform will certainly have a profound impact on various aspects of the Chinese economy, probably in the same magnitude as the previous tax reform decades ago that set the stage for the rapid urbanization, booming property sector, and competing industrialization at breakneck speed across China, as well as the accumulation of debt by local LGFVs, runaway housing prices, and extreme imbalance between investment and consumption in the Chinese GDP. One cannot overestimate the significance of this tax reform because it will likely usher in a new growth model for years to come.

▲ Portfolio Allocation

Sector Exposure (%)



Weighted Avg Duration	2.11 Years
Weighted Avg Credit Ratings	AA+
Weighted Avg Yield to Maturity ¹	2.74%

Credit Products include Medium Term Notes, Convertible Bonds, Corporate Bonds, Enterprise Bonds.

Data Source: Wind. Rating agencies include Dagong, China Lianhe, Pengyuan, CCXI, CCXR, Shanghai Brilliance, China LianHe. Data As of 28 Jun 2024

▲ Latest Fund Distribution

Class	Ex-dividend Date	Distribution	Annualized Dividend Yield
Class A-DIST-RMB	Jun-27-2024	RMB 0.03	4.47%
Class A-DIST-USD	Jun-27-2024	USD 0.03	5.64%

Dividend is not guaranteed and may be paid out of capital or effectively paid out of capital.

Annualized Dividend Yield = $[(1 + \text{distribution per unit} / \text{ex-dividend NAV})^{12}] - 1$. The annualized dividend yield is calculated based on the latest dividend distribution with dividend reinvested, and may be higher or lower than the actual annual dividend yield. Positive distribution yield does not imply positive return.

Data source: Bloomberg. As of 28 Jun 2024.

¹ Calculated with the weighted average of median yield to maturity of each holding.

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Risk Warning

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.

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