

# ChinaAMC Select China Leap Equity Fund

## Fund Factsheet



As of 31 Jan 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:

- ChinaAMC Select China Leap Equity Fund (the "Fund") invests primarily in equity securities 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 which in the opinion of the Manager, have strong prospects for leap growth or will benefit from leap growth of China, by accessing whether the company's business revenue is driven by Chinese consumption increase, technology progress or demographic trend, or whether the company is covered by the development plans of the Chinese government, including but not limited to the "14th Five-Year Plan of China", the "Made in China 2025 Plan", the "Carbon Neutrality Strategy of China".
- The Fund may invest in fixed income securities issued and/or guaranteed by any single country any credit rating, pre-IPO and cornerstone investment, collective investment schemes (authorised by the SFC), cash equivalent instruments and financial derivative instruments ("FDIs") for hedging or investment purposes.
- The Fund may invest in depositary receipts that may generate additional risks compared to a direct exposure to the underlying stocks, including the risk of non-segregation of the underlying stocks from the depositary banks' own assets and liquidity risk. These may negatively affect the performance and/or liquidity of the Fund.
- Investment in equity securities is subject to market risk and the prices of such securities may be volatile, including but not limited to changes in investment sentiment, political environment, economic environment, regional or global economic instability, currency and interest rate fluctuations.
- The Fund will focus its investments in China-related equities. 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 that the Fund invests in. Invest in the China Leap Equity Securities is subject to significant volatility, risk greater than diversified funds, government policy, dynamic market conditions, new competing products and services, and rapid improvements in existing products and services.
- Investment in PRC markets is subject to greater political, tax, economic, foreign exchange, liquidity, legal and regulatory risk.
- Investment in debt instruments are subject to liquidity risk, credit risk, interest rate risk, credit rating risk, valuation risk, downgrade risk and sovereign debt risk.
- Investment in other funds may no assurance that the liquidity of the underlying be sufficient to meet redemption request and investment objective and strategy is successfully achieved.
- Some Classes of the Fund are 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. If you convert HKD or any other currencies into RMB in investing in the Fund and subsequently convert the RMB redemption proceeds back to HKD or such other currencies, you may suffer a loss if RMB depreciates against HKD or such other currencies.
- The Fund will hold investments denominated in currencies different to the base currency of the Fund, meaning the Fund will bear risk to adverse movements in the foreign currency rates.
- The Fund may acquire FDIs for investment and/or hedging purposes. Risks associated with FDIs include counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the-counter transaction risk. In adverse situations, hedging may become ineffective and the Fund may suffer significant losses.

### ▲ Investment Objective

The Fund seeks to maximize capital growth by investing primarily (i.e. at least 70% of its net assets) in equity securities (such as but not limited to listed shares, depositary receipts, and exchange traded funds) 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, which, in the opinion of the Manager, have strong prospects for leap growth or will benefit from leap growth of China ("China Leap Equity Securities").

### ▲ Fund Information<sup>2</sup>

<b>Legal Structure</b>	Hong Kong domiciled umbrella structure unit trust
<b>Investment Manager</b>	China Asset Management (Hong Kong) Limited
<b>Fund Size</b>	HKD 2.04 million
<b>Base Currency</b>	HKD
<b>Dealing Frequency</b>	Daily
<b>Custodian</b>	Bank of China (Hong Kong) Limited
<b>Trustee</b>	BOCI-Prudential Trustee Limited

### ▲ Fund Performance<sup>1</sup>



	Class I HKD
<b>Launch Date</b>	25 June, 2021
<b>NAV per share</b>	HKD 10.526
<b>Bloomberg Code</b>	CHCLEIH HK
<b>ISIN Code</b>	HK0000738044
<b>Management Fee</b>	Up to 1% p.a.
<b>Minimum Initial Subscription</b>	HKD 5,000,000

### ▲ Cumulative Return<sup>1</sup>

	1 Month	3 Month	6 Month	1 Year	Since Inception <sup>3</sup>	Annualized-SI <sup>3</sup>
<b>Class I Acc HKD</b>	+9.97%	+48.92%	+10.53%	+15.55%	+5.26%	+3.25%
<b>MSCI China (in HKD)</b>	+12.26%	+52.31%	+8.51%	-9.61%	-32.37%	-21.65%

	2018	2019	2020	2021	2022	2023YTD
<b>Class I Acc HKD</b>	-	-	-	-6.25% <sup>3</sup>	+1.89%	+9.97%
<b>MSCI China (in HKD)</b>	-	-	-	-22.92%	-21.84%	+12.26%

<sup>1</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>2</sup> Please refer to the Fund's prospectus for further details (including fees).

<sup>3</sup> Calculated since the inception date of each respective share class.

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

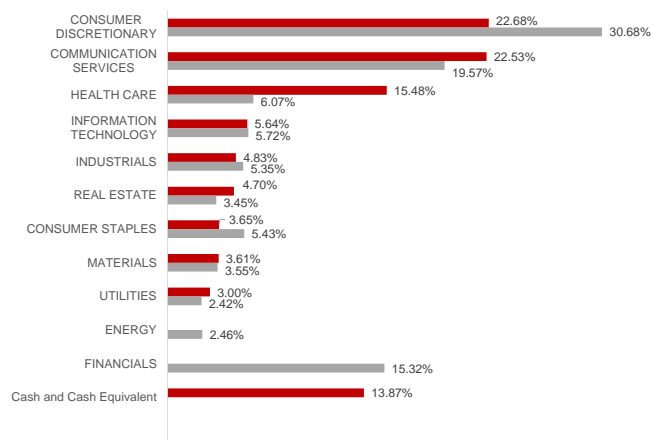
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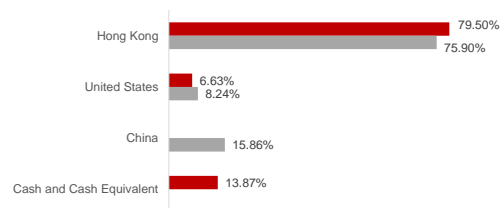


### ▲ Portfolio Allocation

#### Sector Exposure (%)



#### Geographical Exposure (%)



### ▲ Manager's Comment

MSCI China index rose by 12.25% in January and continued the rally since late 2022, driven by the earlier and faster reopening process of China, the overall better-than-expected Dec macro data, investors' stronger expectation on China's growth outlook, more regulatory easing on Internet and more favorable external environment. China has been rapidly reaching its COVID herd immunity, as the government estimates about 80% of the population has already been infected with COVID. Recent CDC data on infections, hospitalizations and deaths suggest the "exit wave" is coming to an end. China's December macro data generally came in above expectations, led by a significant rebound in retail sales (despite the sharp spike in COVID cases), along with moderate pickup in FAI growth and better-than-expected held up industrial production. Due to the faster-than-expected transition to herd immunity and higher-than-expected sequential growth in 4Q22, most investors see larger upside risks to their previous expectations on China's economic growth in 2023. Investors appear to be starting to build a positive consensus on China macro and financial market outlook. The fund underperformed the benchmark in January by 2.30%, mainly driven by the cash positions. The fund continued its prudent investment strategy in January. Looking forward, we maintain our long-term positive view on China equity market. With the earlier and faster reopening process together with the continued countercyclical easing policies, China's economic growth is likely to exceed the market's previous expectations. In the coming weeks, we expect the market to consolidate after the sharp rally in the past 3 months, given more noises on geopolitical tensions and lack of further strong short-term catalysts. In terms of portfolio positioning, we continue to focus on the 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).

Date source: Bloomberg. As of 31 Jan 2023

### ▲ Top 5 Holdings

Security Name	Sector	Weight
Meituan	Consumer Discretionary	8.83%
Kuaishou Technology	Communication Services	7.75%
Tencent Holdings Ltd	Communication Services	7.51%
Alibaba Group Holding Ltd	Consumer Discretionary	5.81%
HUTCHMED China Ltd	Health Care	4.89%

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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.