

ChinaAMC Select China Leap Equity 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:

- 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. Investment 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 be at 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.

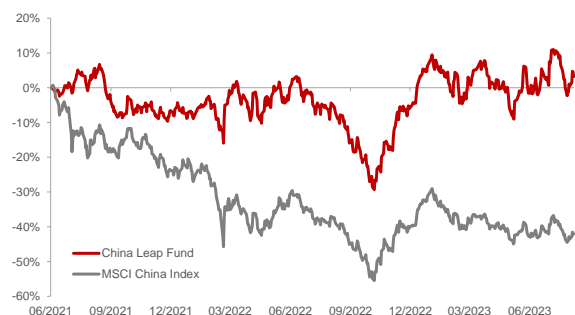
▲ Investment Objective

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 Information²

| | |
|--------------------|---|
| Legal Structure | Hong Kong domiciled umbrella structure unit trust |
| Investment Manager | China Asset Management (Hong Kong) Limited |
| Fund Size | HKD 1.86 million |
| Base Currency | HKD |
| Dealing Frequency | Daily |
| Custodian | Bank of China (Hong Kong) Limited |
| Trustee | BOCI-Prudential Trustee Limited |

▲ Fund Performance¹



| | |
|------------------------------|---------------|
| Launch Date | 25 June, 2021 |
| NAV per share | HKD 9.6162 |
| Bloomberg Code | CHCLEIH HK |
| ISIN Code | HK0000738044 |
| Management Fee | Up to 1% p.a. |
| Minimum Initial Subscription | HKD 5,000,000 |

▲ Cumulative Return¹

| | 1 Month | 3 Month | 6 Month | 1 Year | Since Inception ³ | Annualized-Since Inception |
|---------------------|---------|---------|---------|---------|------------------------------|----------------------------|
| Class I Acc HKD | -6.83% | -2.41% | -8.38% | +18.10% | -3.84% | -1.71% |
| MSCI China (in HKD) | -2.88% | -2.00% | -11.66% | +5.00% | -43.95% | -22.57% |

| | 2018 | 2019 | 2020 | 2021 ³ | 2022 | 2023YTD |
|---------------------|------|------|------|-------------------|---------|---------|
| Class I Acc HKD | - | - | - | -6.25% | +1.89% | +0.68% |
| MSCI China (in HKD) | - | - | - | -22.92% | -21.84% | -6.97% |

¹ 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.

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

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

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

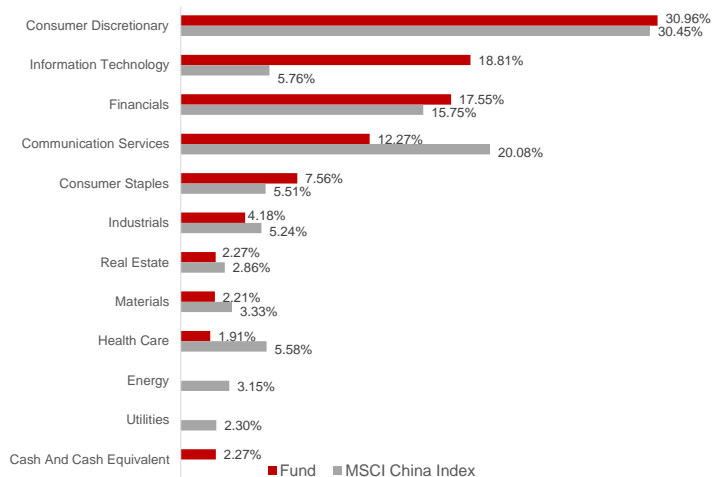
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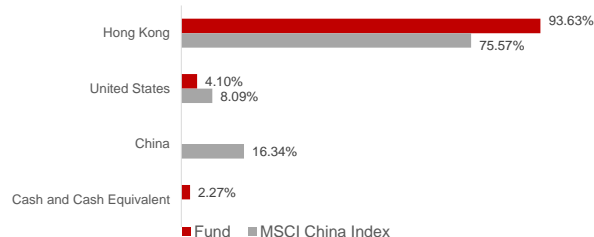


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

MSCI China index dropped by 3.07% in September. Economic data improved marginally, but it didn't help boost the Chinese stock market significantly. The lower CNY exchange rate and less-than-expected policy effects suppressed market confidence. Several positive policies were announced in September. On Sep 15, the central bank lowered the deposit reserve ratio by 25 basis points to release the liquidity in order to consolidate the effect of previous interest rate cuts. On Sep 20, Guangzhou became the first T1 city to relax home purchase restrictions. On Sep 26, Inner Mongolia planned to issue special government bonds to ease debt pressures. There are also positives in China-US relations. On Sep 22, two countries set up two new working groups on economic, financial issues. On Sep 27, China's Vice-Foreign Minister and US Assistant Secretary of State for East Asian and Pacific Affairs met in Washington for the first China-US consultation on Asia-Pacific affairs.

The fund underperformed the benchmark in September by 3.95%. The overweight position on utilities, the underweight position on real estate, and stock selection in communication services achieved positive relative returns, while the underweight positions on energy, the overweight positions on consumer discretionary, and stock selection in consumer discretionary and information technology resulted in negative relative returns.

Looking forward, we maintain our long-term positive view on China equity market. The fundamentals of China's manufacturing industry are recovering. We anticipate that more effective policies will be introduced in the upcoming Politburo meeting in mid-Oct and the Third Plenum this Oct/Nov. We will closely monitor US-China relations to see whether it will continue to stabilize, and the market impact of the rising US bond yields due to the more hawkish stance of the Fed Reserve.

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 (eg. software localization and advanced manufacturing), short-term policy beneficiaries (property and property-related sectors) and reopening-related opportunities (eg. consumer, internet and financials).

Date source: Bloomberg As of 30 Sep 2023.

▲ Top 5 Holdings

| Security Name | Sector | Weight |
|---------------------------------------|------------------------|--------|
| Alibaba Group Holding Ltd | Consumer Discretionary | 9.67% |
| Sunny Optical Technology Group Co Ltd | Information Technology | 8.82% |
| JD.com Inc | Consumer Discretionary | 8.67% |
| Meituan | Consumer Discretionary | 8.63% |
| Huatai Securities Co Ltd | Financials | 7.64% |

Customer Hotline: (852) 3406 8686

Website: www.chinaamc.com.hk

Email: hkfund_services@chinaamc.com

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.