

# ChinaAMC Select Greater China Technology Fund\*

## Fund Factsheet



As of 31 Aug 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 Greater China Technology Fund (the "Fund") will invest primarily in China-Related Technology Companies and in the opinion of the Manager, will likely benefit from innovations, use of new technologies or offering products and services that meet the demands of the new and evolving China economy ("China-Related Technology Companies"). The Fund may invest a small portion of its assets in fixed income securities, equities listed on stock exchanges around the world other than the Greater China, other collective investment schemes and invest directly in Mainland China securities.
- The Fund will invest in equity securities and is subject to general market risk and the prices of such securities may be volatile.
- The Fund may also invest in companies of any market capitalization including but not limited to companies with small or medium market capitalization. The stocks of companies with small or medium market capitalization may have lower liquidity and their prices are more volatile to adverse economic developments than those of larger market capitalization companies in general.
- The Fund will focus its investments on China-Related Companies and such investments will increase the Sub-Fund's vulnerability to the economic, political or regulatory or tax developments of a single country such as China. Also, the Fund is likely to be more volatile than a fund having a more diverse portfolio of investments.
- The Fund may invest in the PRC markets, 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 will invest in debt investments and is subject to liquidity risk, credit risk, interest rate risk, credit rating risk, valuation risk, downgrade risk and sovereign debt risk. Generally, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- The Fund may invest in convertible bonds which are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.
- The Fund may invest the Stock Connect which may have potential retrospective effect. Where a suspension in the trading through the programme is effected, the Fund's ability to achieve its investment objective could be negatively affected.
- 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.
- Debt instruments with loss-absorption features are subject to the risk of being written down or converted to ordinary shares upon the occurrence of certain pre-defined trigger events, which are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.
- The Fund may invest in urban investment bonds which are typically not guaranteed by Chinese central or local governments. In the event of default, the Fund could suffer substantial loss.
- 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 the value of RMB against the investor's base currencies (for example HKD) will not depreciate. Any depreciation of RMB could adversely affect the value of investors' investments in the RMB classes. Under exceptional circumstances, redemption proceeds in RMB may be delayed due to exchange controls and restrictions applicable to RMB.

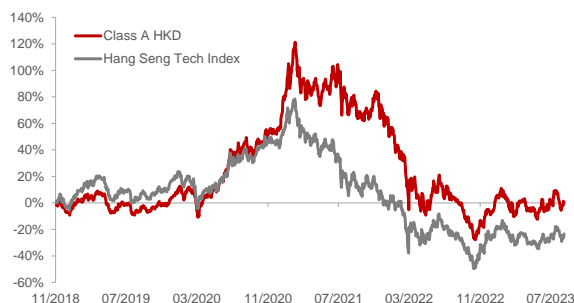
### ▲ Investment Objective

The Fund seeks to achieve long term capital growth by primarily (i.e. not less than 70% of its Net Asset Value) investing in China-Related Technology Companies (as defined below). To achieve the investment objective, not less than 70% of the Fund's Net Asset Value will be invested in equities of technology companies which, in the opinion of the Manager, will likely benefit from innovations, use of new technologies or offering products and services that meet the demands of the new and evolving China economy ("China-Related Technology Companies") with registered offices located in the Greater China area (including Mainland China, Hong Kong, Macau and Taiwan), and/or China Related Technology Companies that do not have their registered offices in the Greater China area but either (a) carry out a predominant proportion of their business activities in Greater China or (b) are holding companies which predominantly own companies with registered offices in Greater China.

### ▲ Fund Information<sup>1</sup>

|                    |   |
|--------------------|---|
| Legal Structure    | Hong Kong domiciled umbrella structure unit trust |
| Investment Manager | China Asset Management (Hong Kong) Limited        |
| Fund Size          | HKD 74.82 million                                 |
| Base Currency      | HKD   |
| Dealing Frequency  | Daily   |
| Custodian          | Bank of China (Hong Kong) Limited                 |
| Trustee            | BOCI-Prudential Trustee Limited                   |

### ▲ Fund Performance<sup>2,3</sup>



|                              |              |
|------------------------------|--------------|
| Launch Date                  | 16-Nov-2018  |
| NAV per share                | HKD 10.0073  |
| Bloomberg Code               | CAMSEAH HK   |
| ISIN Code                    | HK0000165453 |
| Initial Charge               | Up to 5%     |
| Investment Management Fee    | Up to 1.75%  |
| Minimum Initial Subscription | HKD 10,000   |

### ▲ Cumulative Return<sup>2</sup>

|                      | 1 Month | 3 Month | 6 Month | 1 Year | Since Inception <sup>3</sup> | Annualized-Since Inception <sup>3</sup> |
|----------------------|---------|---------|---------|--------|------------------------------|---|
| Class A HKD          | -8.26%  | +14.16% | +7.39%  | -0.95% | +0.07%                       | +0.47%                                  |
| Hang Seng Tech Index | -8.14%  | +15.50% | +6.94%  | -1.71% | -21.45%                      | -4.92%                                  |

### ▲ Yearly Return<sup>2</sup>

|                      | 2018 <sup>3</sup> | 2019    | 2020    | 2021    | 2022    | 2023YTD |
|----------------------|-------------------|---------|---------|---------|---------|---------|
| Class A HKD          | -5.88%            | +12.13% | +56.23% | -0.23%  | -43.08% | +6.88%  |
| Hang Seng Tech Index | -2.09%            | +22.87% | +28.86% | -32.04% | -26.66% | +1.66%  |

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

<sup>2</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. With effect from 3 April 2021, the investment objective and strategy of the Fund was changed. The performance of the Fund prior to 3 April 2021 was achieved under circumstances that no longer apply. The investment strategy of the Fund was changed in 26 January 2018 and 6 December 2019. The investment objective of the fund was also changed in 1 September 2016.

<sup>3</sup>Calculated since the inception of each respective share class. Class A HKD calculated since the inception on 16 November 2018.

\*With effect from 3 April 2021, the fund name has been changed from ChinaAMC Select New Economy Fund to ChinaAMC Greater China Technology Fund.

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

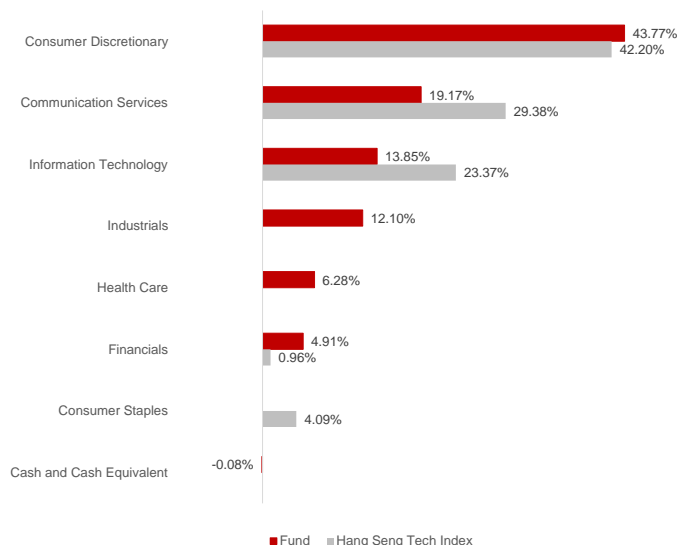
# ChinaAMC Select Greater China Technology Fund\*

## Fund Factsheet

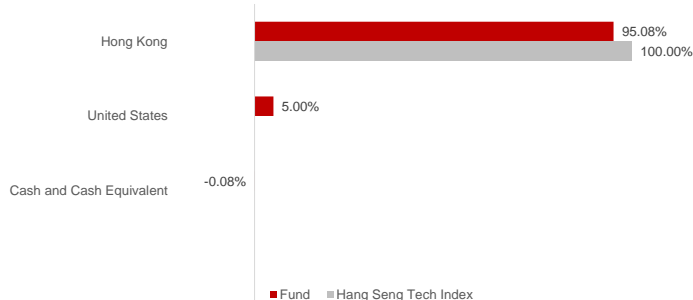


### ▲ Portfolio Allocation

#### Sector Exposure (%)



#### Geographical Exposure (%)



### ▲ Manager's Comment

The Hang Seng Tech Index fell by 8.14% in August. The market experienced pressure due to the lack of specific details regarding the anticipated easing measures discussed in the political bureau meeting, as well as weak economic data. Weaker-than-expected macroeconomic indicators, depreciation of the Chinese yuan against the US dollar, and widening yield differentials between China and the US all contributed to the performance pressure on the Chinese stock market. The sluggish real estate market and its potential impact on the real economy and financial sector were also significant factors in the market correction.

However, the last two weeks of August saw more positive signs. On August 18th, the China Securities Regulatory Commission announced a series of measures to invigorate the capital market, with a focus on improving shareholder returns. On August 25th, the Ministry of Housing and Urban-Rural Development, the People's Bank of China, and the National Financial Supervision and Administration issued a joint notice, officially allowing local governments to abolish the "mortgage records only" requirement to determine the identity of "first-time homebuyers." On August 27th, the government implemented a series of measures to support the stock market, including halving the stamp duty on stock trading. On August 31st, the People's Bank of China and the National Financial Supervision and Administration jointly announced further guidelines on reducing existing first-home mortgage rates and revising nationwide minimum down payment and loan rate limits.

The performance of the fund in August was generally in line with the Hang Seng Tech Index. The fund achieved positive excess returns in stock selection within the consumer discretionary sector and industry allocation in the financial, consumer discretionary, and healthcare sectors. However, it recorded negative excess returns in stock selection within the information technology and financial sectors, as well as industry allocation in the industrial and information technology sectors. The fund will continue to adhere to a prudent and sustainable investment philosophy, striving for better performance in the medium to long term through reasonable industry allocation and bottom-up stock selection.

Looking ahead, the Chinese government has introduced a series of stimulus measures in recent weeks at a pace not seen since late 2018. These measures cover various aspects, including relaxation of real estate policies, halving the stamp duty on stock trading, and interest rate cuts. Economic data and accommodative policies are starting to show positive developments, and this positive trend is expected to continue in the coming months. We anticipate further relaxation of demand-side policies in first-tier cities, increased fiscal stimulus, and further monetary easing measures such as reserve requirement ratio cuts and expanded re-lending tools. These measures are expected to drive economic recovery starting from the fourth quarter of 2023. Following a significant market correction, the investment value of many high-quality growth stocks has significantly increased, and the fund will adopt a more proactive investment strategy to capitalize on upward market opportunities.

Data source: Bloomberg. As of 31 Aug 2023.

### ▲ Top 5 Holdings

| Security Name                         | Sector                 | Weight |
|---------------------------------------|------------------------|--------|
| ALIBABA GROUP HLDG LTD                | Consumer Discretionary | 9.61%  |
| SUNNY OPTICAL TECHNOLOGY GROUP CO LTD | Information Technology | 9.55%  |
| MEITUAN-CLASS B                       | Consumer Discretionary | 9.19%  |
| JD.COM INC                            | Consumer Discretionary | 8.98%  |
| GEELY AUTOMOBILE HLDGS LTD            | Consumer Discretionary | 8.55%  |

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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.