

# ChinaAMC Select Greater China Technology Fund\*

## Fund Factsheet



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

As of 31 Jan 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 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 Performance<sup>2,3</sup>



### Cumulative Return<sup>2</sup>

	1 Month	3 Month	6 Month	1 Year	Since Inception <sup>3</sup>	Annualized-Since Inception <sup>3</sup>
<b>Class A HKD</b>	-25.99%	-14.38%	-30.58%	-27.83%	-24.27%	-5.20%
<i>Hang Seng Tech Index</i>	-20.15%	-19.90%	-33.80%	-33.41%	-44.61%	-10.72%

### Yearly Return<sup>2</sup>

	2019	2020	2021	2022	2023	2024YTD
<b>Class A HKD</b>	+12.13%	+56.23%	-0.23%	-43.08%	+9.29%	-25.99%
<i>Hang Seng Tech Index</i>	+22.87%	+28.86%	-32.04%	-26.66%	-8.25%	-20.15%

<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.

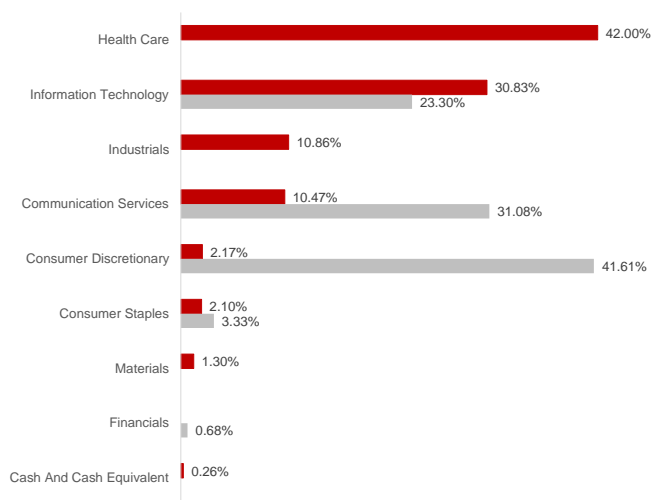
# ChinaAMC Select Greater China Technology Fund\*

## Fund Factsheet



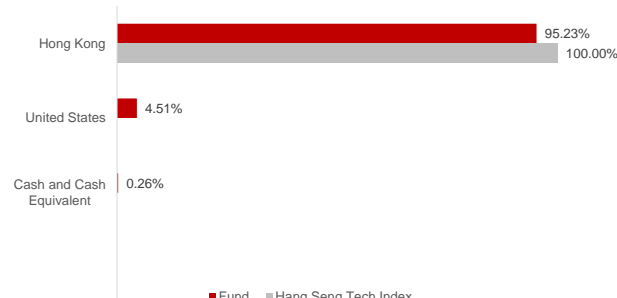
### ▲ Portfolio Allocation

#### Sector Exposure (%)



■ Fund ■ Hang Seng Tech Index

#### Geographical Exposure (%)



■ Fund ■ Hang Seng Tech Index

### ▲ Manager's Comment

The Hang Seng Technology Index fell by 20.15% in January. Overseas interest rate cuts cooled down trading, causing a rise in the 10-year US Treasury bond yield. Concerns about domestic growth and policy prospects continued, compounded by escalating geopolitical risks. The Hong Kong stock market experienced a significant decline, with the technology sector leading the downturn.

On January 25th, the initial annualized quarter-on-quarter growth rate of the US real GDP for the fourth quarter exceeded market expectations at 3.3%, compared to the anticipated 2%. The core Personal Consumption Expenditures (PCE) price index increased by 2% on an annualized quarter-on-quarter basis, in line with expectations.

On January 31st, the Federal Open Market Committee (FOMC) maintained the target range for the federal funds rate at 5.25% to 5.50%. Chairman Powell stated that more evidence is needed to prove that inflation has been contained, and most committee members do not believe that rate cuts will be initiated in March.

China's top 100 real estate developers reported weak sales data for December, with a year-on-year decline in monthly sales volume expanding from 29% in November to 37%. The month-on-month growth rate was also weaker than historical seasonal trends.

On the geopolitical front, negative factors emerged in the Middle East situation and US-China relations. Following the confirmation of an attack on Maersk container ships on December 30th, all voyages through the Red Sea were suspended for 48 hours. A draft of the "Biodefense Preparedness Act" submitted by US lawmakers mentioned Chinese companies such as WuXi AppTec, BGI Genomics, and HuaDa ZhiZao. If the bill is passed, it may restrict the use of products or services from foreign biotechnology companies, including the HuaDa Group, HuaDa ZhiZao, Complete Genomics, and WuXi AppTec, by federally funded medical institutions, leading to a significant decline in related stocks. Additionally, on January 31st, the US government added over a dozen Chinese companies to the "Chinese Military Company List," intensifying market concerns about geopolitical risks.

The fund's performance in January lagged behind the Hang Seng Technology Index. The fund achieved negative excess returns in stock selection in the communication services, consumer discretionary, and information technology sectors, as well as positive excess returns in industry allocation for communication services, healthcare, and consumer discretionary. The fund will continue to adhere to a prudent and sustainable investment philosophy, striving for better long-term performance through reasonable industry allocation and bottom-up stock selection.

Looking ahead, the marginal improvement in external factors witnessed in January has halted, and no clear positive internal factors have emerged. The short-term performance of the Chinese stock market is under pressure, with investor sentiment low. The short-term influences on the Chinese stock market are complex, with weak economic recovery combined with heightened concerns about geopolitical risks, resulting in increased market volatility. Market stabilization will require more distinct positive signals. Since late January, the Chinese government has issued a series of economic and capital market-related policies. However, judging from market performance, the pace and intensity of these policies need to be strengthened. The current market is in a medium to long-term bottom area, with internal factors such as the fundamental state of the Chinese economy, growth expectations, policy intensity, and pace playing a greater role in determining the market's future trend. Investor confidence and expectations still await further clear positive signals to be boosted. The fund will continue to adopt a relatively proactive investment strategy while strengthening the grasp of alpha opportunities at the stock level in a complex market environment.

Data source: Bloomberg. As of 31 Jan 2024.

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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.