

# ChinaAMC Fund

## Annual Report

For the year ended 31 December 2014



**华夏基金**  
**ChinaAMC**

The Annual Report has contained information relating to the ChinaAMC China Growth Fund and the ChinaAMC China A Share Opportunities Fund. Neither ChinaAMC China Growth Fund nor the ChinaAMC China A Share Opportunities Fund are authorized in Hong Kong, nor are they available to Hong Kong Residents. You should note that certain figures in the Annual Report are expressed on a consolidated basis and, thus, include the financial information of ChinaAMC China Growth Fund and the ChinaAMC China A Share Opportunities Fund, which are both not authorized in Hong Kong.

# ChinaAMC Fund

« Société d'Investissement à Capital Variable »

Annual report and audited financial statements for the year ended December 31, 2014.

R.C.S. Luxembourg B154.870

Subscriptions may not be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus or the key investor information document, supplemented by the last annual report, and the most recent half-yearly report, if published thereafter.

# ChinaAMC Fund

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## TABLE OF CONTENTS

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Organisation of the Fund	3
Report of the Board of Directors	5
Independent auditor's report	6
Statement of Net Assets	8
Statement of Operations and Changes in Net Assets	9
Statistical Information and Performance Records	10
Statement of Changes in Shares	11
Schedule of Investments – ChinaAMC China Opportunities Fund	12
Schedule of Investments – ChinaAMC China Growth Fund	14
Schedule of Investments – ChinaAMC China A Share Opportunities Fund	17
Notes to the Financial Statements	18
Information to Shareholders	28

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# ChinaAMC Fund

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## ORGANISATION OF THE FUND

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### THE FUND

**ChinaAMC Fund**  
49, Avenue John F. Kennedy  
L - 1855 Luxembourg  
Grand Duchy of Luxembourg

### BOARD OF DIRECTORS

#### Directors

**Tian GAN**  
Managing Director  
China Asset Management (Hong Kong) Limited  
37/F, Bank of China Tower  
1 Garden Road, Central, Hong Kong

**Ning ZHU**  
Deputy Director and Professor of Finance  
Shanghai Advanced Institute of Finance  
Room 606, 211 West Huaihai Road  
Shanghai, 200030, China

**Fangjian FU**  
Assistant Professor of Finance  
Lee Kong Chian School of Business  
Singapore Management University  
14-04 Heritage View, Tower A  
8 Dover Rise, Singapore 138679

### INVESTMENT MANAGER\*

**China Asset Management (Hong Kong) Limited**  
37/F  
Bank of China Tower  
1 Garden Road  
Hong Kong

### MANAGEMENT COMPANY

**RBS (Luxembourg) S.A.**  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

\* Delegated by the Management Company

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## ChinaAMC Fund

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### DISTRIBUTOR\*

**China Asset Management (Hong Kong) Limited**  
37/F  
Bank of China Tower  
1 Garden Road  
Hong Kong

### CUSTODIAN/DEPOSITARY, ADMINISTRATOR\*, DOMICILIARY\*, CORPORATE\*, PAYING\*, LISTING\*, REGISTRAR\* AND TRANSFER AGENT\*

**State Street Bank Luxembourg S.A.**  
49, Avenue John F. Kennedy  
L - 1855 Luxembourg  
Grand Duchy of Luxembourg

### INDEPENDENT AUDITOR

**Ernst & Young S.A.**  
7, Rue Gabriel Lippmann, Parc d'Activité Syrdall 2  
L - 5365 Munsbach  
Grand Duchy of Luxembourg

### LEGAL ADVISER TO THE FUND

**Arendt & Medernach**  
14, rue Erasme  
L – 2082 Luxembourg  
Grand Duchy of Luxembourg

### REPRESENTATIVE AGENT IN HONG KONG

**China Asset Management (Hong Kong) Limited**  
37/F  
Bank of China Tower  
1 Garden Road  
Hong Kong

\* Delegated by the Management Company

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**REPORT OF THE BOARD OF DIRECTORS**

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Chinese equities continued to trade in range in the first half of 2014. Interest rate sensitive index constituents sold off in the beginning of the year due to year-end liquidity tightening in onshore markets and fund outflows from emerging markets. Growth stocks also saw profit-taking pressures in March after the release of annual results. Nonetheless, the market started to stabilise in the second quarter as the “targeted easing” and “mini-stimulus” introduced by the central government started taking effect and strengthened the view that the leadership will not allow GDP growth to slip below the floor. In the second half of the year, expectations on policy loosening and the Shanghai-Hong Kong Stock Connect started to bolster market sentiment although macroeconomic data remained lackluster. With increasing pressure to roll out more “pro-growth” measures, the People’s Bank of China (“PBoC”) finally cut the benchmark interest rate in November for the first time in two years, which strengthened the view that the central bank will launch an all-round stimulus program to revive the economy as the effect of “targeted easing” was weaker than the government expected. As a result, China A-shares rallied strongly but offshore Chinese equities was significantly weaker than the A-share market, sending the Hang Seng China AH Premium Index to the highest level since 2011.

In the past twelve months, the major concerns among global investors regarding the Chinese market were hard landing, local government funding vehicle getting out of control, and property market crash. Skeptical investors basically used a magnifying glass to look at these issues from different angles and drew a conclusion to stay away from the Chinese market. Ironically, the China A-share market turned out to be one of the best performing markets in 2014. We tend to believe the current cycle is akin to the A-share bull market in 1996-1997. We tend to believe the rationality parallel with the similar macroeconomic environment and policy background.

- 1) In 1996-1997, the interest rate was cut from 12% to 5.85% and Required Rate of Return (“RRR”) was reduced from 13% in 1997 to 6% in 1999.
- 2) Also, expansionary fiscal and accommodative monetary policies were implemented to mitigate the risk of macroeconomic slowdown.
- 3) Major reforms lifted up the risk appetite of the market, in particular the financial reform which stripped off non-performing loans from banks, and also using the financial market to reinvigorate the State-Owned Enterprise (“SOE”) reform.

We tend to believe capturing the leading stocks in each sector and play around sector rotation will be the best sources of alpha in this cycle.

April 16, 2015

## Independent auditor's report

To the Shareholders of  
ChinaAMC Fund  
49, Avenue John F. Kennedy  
L-1855 Luxembourg

We have audited the accompanying financial statements of ChinaAMC Fund and of each of its sub-funds (the "Fund"), which comprise the statement of net assets, the schedule of investments as at 31 December 2014, and the statement of operations and changes in net assets for the year then ended, and a summary of significant accounting policies and other explanatory notes to the financial statements.

### *Responsibility of the Board of Directors of the Fund for the financial statements*

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Responsibility of the "réviseur d'entreprises agréé"*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier". Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the judgement of the "réviseur d'entreprises agréé", including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the "réviseur d'entreprises agréé" considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors of the Fund, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements give a true and fair view of the financial position of ChinaAMC Fund and of each of its sub-funds as of 31 December 2014, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

*Other matter*

Supplementary information included in the annual report has been reviewed in the context of our mandate but has not been subject to specific audit procedures carried out in accordance with the standards described above. Consequently, we express no opinion on such information. However, we have no observation to make concerning such information in the context of the financial statements taken as a whole.

Ernst & Young  
Société anonyme  
Cabinet de révision agréé



Michael Ferguson

Luxembourg, 22 April 2015

## ChinaAMC Fund

### STATEMENT OF NET ASSETS AS AT DECEMBER 31, 2014 IN USD

	ChinaAMC China Opportunities Fund	ChinaAMC China Growth Fund	ChinaAMC China A Share Opportunities Fund*	Total
	USD	USD	USD	USD
<b>Assets</b>				
Investments in securities at market value	390,834,945	78,535,012	13,966,392	483,336,349
Unrealised gain on swap contracts (note 10)	—	1,827,971	—	1,827,971
Unrealised gain on forward foreign exchange contracts (note 10)	—	139,979	—	139,979
Cash	11,830,502	18,330,920	4,473,667	34,635,089
Amounts due from brokers (note 2)	—	38,402,577	—	38,402,577
Dividends receivable	142,152	20,567	—	162,719
Receivable on investments sold	—	1,449,133	—	1,449,133
Receivable on subscriptions	900,276	—	—	900,276
Receivable on swaps sold	—	2,272	—	2,272
Formation expenses (note 2)	2,774	—	—	2,774
Receivable from Investment Manager (note 5)	237,580	193,925	1,998	433,503
<b>Total assets</b>	<b>403,948,229</b>	<b>138,902,356</b>	<b>18,442,057</b>	<b>561,292,642</b>
<b>Liabilities</b>				
Unrealised loss on swap contracts (note 10)	—	(144,949)	—	(144,949)
Swap premium paid	—	(278,110)	—	(278,110)
Payable on investments purchased	—	(1,592,285)	(2,223,268)	(3,815,553)
Payable on redemptions	(605,626)	(128,750)	—	(734,376)
Interest payable on swaps contracts	—	(2,855)	—	(2,855)
Payable on swap purchased	—	(180,635)	—	(180,635)
Other liabilities	(1,403,074)	(3,530,135)	(260,285)	(5,193,494)
<b>Total liabilities</b>	<b>(2,008,700)</b>	<b>(5,857,719)</b>	<b>(2,483,553)</b>	<b>(10,349,972)</b>
<b>Total net assets</b>	<b>401,939,529</b>	<b>133,044,637</b>	<b>15,958,504</b>	<b>550,942,670**</b>

\*ChinaAMC China A Shares Opportunities Fund has been launched on November 28, 2014.

\*\*Combined total net assets includes cross sub-fund investment. Please refer to note 2 b) of the notes to the financial statements for more detailed information regarding the cross sub-fund investment.

Please refer to the tables disclosed on pages 10 and 11 of the report for the NAV per Share and for the Shares in issue as at December 31, 2014.

The accompanying notes form an integral part of these financial statements.

## ChinaAMC Fund

### STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2014 IN USD

	ChinaAMC China Opportunities Fund	ChinaAMC China Growth Fund	ChinaAMC China A Share Opportunities Fund*	Total
	USD	USD	USD	USD
<b>Net assets at the beginning of the year</b>	<b>156,019,883</b>	<b>63,055,958</b>	<b>—</b>	<b>219,075,841</b>
Dividend income (net of withholding tax)	8,137,354	1,120,782	—	9,258,136
Interest income from investments	548	8,759	—	9,307
Interest received on swap contracts	—	2,862	—	2,862
Interest on bank accounts	—	—	845	845
<b>Total Income</b>	<b>8,137,902</b>	<b>1,132,403</b>	<b>845</b>	<b>9,271,150</b>
Investment Manager fees (note 5)	(3,430,376)	(1,653,573)	(13,306)	(5,097,255)
Performance fees (note 6)	—	(2,877,397)	(232,025)	(3,109,422)
Other charges and taxes	(131,022)	(404,386)	(1,956)	(537,364)
Professional fees	(202,930)	(46,000)	(1,485)	(250,415)
Management Company fees (note 4)	(144,042)	(63,396)	(2,365)	(209,803)
Interest paid on swap contracts	—	(174,354)	—	(174,354)
Transfer Agent and Registrar fees (note 9)	(91,380)	(59,120)	(2,805)	(153,305)
Depositary and Custody fees (note 8)	(52,210)	(78,710)	(4,125)	(135,045)
Administrator fees (note 9)	(83,356)	(36,383)	(2,628)	(122,367)
"Taxe d'abonnement" (note 3)	(74,098)	(33,299)	(391)	(107,788)
Amortisation of formation expenses (note 2)	(3,584)	—	—	(3,584)
Interest paid on bank accounts	—	(156)	—	(156)
Less : Investment Manager reimbursement of fees (note 5)	—	—	1,999	1,999
<b>Total Expenses</b>	<b>(4,212,998)</b>	<b>(5,426,774)</b>	<b>(259,087)</b>	<b>(9,898,859)</b>
<b>Net investment income / (loss)</b>	<b>3,924,904</b>	<b>(4,294,371)</b>	<b>(258,242)</b>	<b>(627,709)</b>
Net realised gain / (loss) on				
- Investments	15,385,848	14,539,348	1,016,962	30,942,158
- Foreign currency and forward foreign exchange contracts	(18,057)	(1,805,054)	(102,088)	(1,925,199)
- Future contracts	—	(720,290)	—	(720,290)
- Swap contracts	—	3,039,824	—	3,039,824
Change in unrealised appreciation / (depreciation) on				
- Investments	16,194,373	(3,268,623)	1,440,328	14,366,078
- Foreign currency and forward foreign exchange contracts (note 10)	(2,670)	140,875	(956)	137,249
- Future contracts (note 10)	—	(7,558)	—	(7,558)
- Swap contracts (note 10)	—	1,734,375	—	1,734,375
<b>Net change in net assets for the year as a result of operations</b>	<b>35,484,398</b>	<b>9,358,526</b>	<b>2,096,004</b>	<b>46,938,928</b>
Subscriptions for the year	276,147,962	84,229,001	13,862,500	374,239,463
Redemptions for the year	(65,712,714)	(23,598,848)	—	(89,311,562)
<b>Net proceeds from share transactions</b>	<b>210,435,248</b>	<b>60,630,153</b>	<b>13,862,500</b>	<b>284,927,901</b>
<b>Net assets at the end of the year</b>	<b>401,939,529</b>	<b>133,044,637</b>	<b>15,958,504</b>	<b>550,942,670**</b>

\*Statement of Operations and Changes in Net Assets for the period from November 28, 2014 (launch date) to December 31, 2014.

\*\*Combined total net assets includes cross sub-fund investment. Please refer to note 2 b) of the notes to the financial statements for more detailed information regarding the cross sub-fund investment.

The accompanying notes form an integral part of these financial statements.

# ChinaAMC Fund

## STATISTICAL INFORMATION

	Currency	December 31, 2014		December 31, 2013		December 31, 2012	
		Total NAV in USD	per Share in USD	Total NAV in USD	per Share in USD	Total NAV in USD	per Share in USD
<b>ChinaAMC China Opportunities Fund</b>							
Class A	EUR	1,972,648	19.273	1,496,085	17.629	1,834,046	14.268
Class A*	HKD	415,008	13.590	—	—	—	—
Class A	USD	162,396,768	15.369	7,483,204	14.094	9,543,790	11.399
Class I	USD	237,155,105	16.490	147,040,594	14.951	65,437,490	11.967
<b>ChinaAMC China Growth Fund</b>							
Class A	USD	47,202,915	14.998	42,659,844	13.638	6,188,842	10.859
Class B	USD	4,385,343	14.967	4,885,600	13.593	3,822,243	10.828
Class I**	GBP	24,323,764	17.056	—	—	—	—
Class I	USD	57,132,615	12.789	15,510,514	11.535	—	—
<b>ChinaAMC China A Share Opportunities Fund</b>							
Class I***	USD	15,958,504	11.515	—	—	—	—

## PERFORMANCE RECORDS

The following information has been included as disclosure for the Hong Kong Securities and Futures Commission, following the Hong Kong registration of the Sub-Fund ChinaAMC China Opportunities Fund<sup>1</sup>:

	Currency	December 31, 2014		December 31, 2013		December 31, 2012		December 31, 2011		December 31, 2010****	
		Highest issue price per share in USD	Lowest redemption price per share in USD	Highest issue price per share in USD	Lowest redemption price per share in USD						
<b>ChinaAMC China Opportunities Fund</b>											
Class A	EUR	19.273	15.954	17.629	14.081	14.268	11.764	13.752	11.062	13.330	12.273
Class A*	HKD	13.590	12.825	-	-	-	-	-	-	-	-
Class A	USD	15.369	12.733	14.094	11.279	11.399	9.371	10.953	8.810	10.889	9.787
Class I	USD	16.490	13.571	14.951	11.890	11.967	9.733	10.068	9.951	-	-

\*The Share Class has been launched on November 3, 2014

\*\*The Share Class has been launched on April 11, 2014

\*\*\*The Share Class has been launched on November 28, 2014

\*\*\*\*Inception date is October 11, 2010

<sup>1</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

The accompanying notes form an integral part of these financial statements.

## ChinaAMC Fund

### STATEMENT OF CHANGES IN SHARES FOR THE YEAR ENDED DECEMBER 31, 2014

	Balance at December 31, 2013	Subscriptions	Redemptions	Balance at December 31, 2014
<b>ChinaAMC China Opportunities Fund</b>				
Class A Accumulation EUR	84,864	27,488	(10,000)	102,352
Class A Accumulation HKD*	—	30,537	—	30,537
Class A Accumulation USD	530,948	11,871,906	(1,836,663)	10,566,191
Class I Accumulation USD	9,834,952	7,205,425	(2,658,380)	14,381,997
<b>ChinaAMC China Growth Fund</b>				
Class A Accumulation USD	3,127,995	1,476,119	(1,456,912)	3,147,202
Class B Accumulation USD	359,425	—	(66,421)	293,004
Class I Accumulation GBP**	—	1,426,135	—	1,426,135
Class I Accumulation USD	1,344,611	3,302,171	(179,287)	4,467,495
<b>ChinaAMC China A Share Opportunities Fund</b>				
Class I Accumulation USD***	—	1,385,840	—	1,385,840

\*The Share Class has been launched on November 3, 2014

\*\*The Share Class has been launched on April 11, 2014

\*\*\*The Share Class has been launched on November 28, 2014

The accompanying notes form an integral part of these financial statements.

## ChinaAMC China Opportunities Fund

### SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2014 IN USD

Nominal / Quantity	Description	Local Currency	Acquisition cost	Market value	% of Net Assets
<b>TRANSFERABLE SECURITIES LISTED ON AN OFFICIAL STOCK EXCHANGE</b>			<b>357,086,576</b>	<b>390,834,945</b>	<b>97.24</b>
<b>Shares</b>			<b>310,465,810</b>	<b>339,578,728</b>	<b>84.49</b>
<b>Consumer Discretionary</b>			<b>8,387,357</b>	<b>8,280,799</b>	<b>2.06</b>
5,154,000	Brilliance China Automotive Holdings Ltd.	HKD	8,387,357	8,280,799	2.06
<b>Consumer Staples</b>			<b>6,663,413</b>	<b>5,863,458</b>	<b>1.46</b>
1,421,000	China Mengniu Dairy Co., Ltd.	HKD	6,663,413	5,863,458	1.46
<b>Energy</b>			<b>34,538,721</b>	<b>31,059,941</b>	<b>7.73</b>
11,818,000	China Petroleum & Chemical Corp. "H"	HKD	11,088,675	9,524,316	2.37
19,420,000	PetroChina Co., Ltd. "H"	HKD	23,450,046	21,535,625	5.36
<b>Financials</b>			<b>134,812,050</b>	<b>159,466,411</b>	<b>39.67</b>
32,528,000	Agricultural Bank of China Ltd. "H"	HKD	14,998,426	16,441,946	4.09
29,761,000	Bank of China Ltd. "H"	HKD	13,937,855	16,770,220	4.17
13,958,000	Bank of Communications Co., Ltd. "H"	HKD	11,608,316	13,030,814	3.24
23,107,000	China Construction Bank Corp. "H"	HKD	17,193,809	18,979,851	4.72
10,756,000	China Everbright Bank Co., Ltd. "H"	HKD	5,656,490	5,852,926	1.46
3,866,000	China Life Insurance Co., Ltd. "H"	HKD	13,824,055	15,179,552	3.78
12,892,500	China Minsheng Banking Corp., Ltd. "H"	HKD	13,341,311	16,956,926	4.22
2,210,670	China Taiping Insurance Holdings Co., Ltd.	HKD	4,301,594	6,328,295	1.57
3,076,000	Guangzhou R&F Properties Co., Ltd. "H"	HKD	3,814,960	3,764,110	0.94
5,798,000	Haitong Securities Co., Ltd. "H"	HKD	9,152,557	14,593,781	3.63
3,095,000	Ping An Insurance Group Co. "H"	HKD	26,982,677	31,567,990	7.85
<b>Health Care</b>			<b>34,533,266</b>	<b>36,086,500</b>	<b>8.98</b>
5,036,088	Beijing Tong Ren Tang Chinese Medicine Co., Ltd.	HKD	4,787,942	7,000,384	1.74
12,896,000	CSPC Pharmaceutical Group Ltd.	HKD	10,478,747	11,374,202	2.83
4,870,000	Shanghai Pharmaceuticals Holding Co., Ltd. "H"	HKD	11,687,172	10,989,471	2.74
10,045,000	Sihuan Pharmaceutical Holdings Group Ltd.	HKD	7,579,405	6,722,443	1.67
<b>Industrials</b>			<b>18,970,830</b>	<b>23,320,485</b>	<b>5.80</b>
6,526,500	China Aircraft Leasing Group Holdings Ltd.	HKD	4,691,839	9,678,053	2.41
4,209,600	China International Marine Containers Group Co., Ltd. "H"	HKD	9,829,763	9,347,248	2.32
6,868,000	Harbin Electric Co., Ltd. "H"	HKD	4,449,228	4,295,184	1.07
<b>Information Technology</b>			<b>50,575,346</b>	<b>53,363,283</b>	<b>13.28</b>
34,530	Alibaba Group Holding Ltd. - ADR	USD	3,105,641	3,651,548	0.91
59,900	Baidu, Inc. - ADR	USD	10,697,855	13,777,599	3.43
3,219,000	Hua Hong Semiconductor Ltd.	HKD	4,716,861	4,250,409	1.06
4,332,000	Shanghai Fudan Microelectronics Group Co., Ltd. "H"	HKD	5,579,187	3,843,144	0.96
7,584,000	Technovator International Ltd.	HKD	3,953,078	3,031,585	0.75
1,710,200	Tencent Holdings Ltd.	HKD	22,522,724	24,808,998	6.17
<b>Telecommunication Services</b>			<b>14,249,277</b>	<b>13,618,499</b>	<b>3.39</b>
1,167,000	China Mobile Ltd.	HKD	14,249,277	13,618,499	3.39
<b>Utilities</b>			<b>7,735,550</b>	<b>8,519,352</b>	<b>2.12</b>
19,605,000	CGN Power Co., Ltd. "H"	HKD	7,735,550	8,519,352	2.12
<b>P Notes</b>			<b>32,820,766</b>	<b>35,664,977</b>	<b>8.87</b>
<b>Consumer Discretionary</b>			<b>6,910,221</b>	<b>7,592,237</b>	<b>1.89</b>
1,550,000	BOCI Financial Products Ltd. - Huayu Automotive Systems 14/08/2015	USD	3,033,660	3,867,504	0.96
1,494,976	Credit Suisse AG - Huayu Automotive Systems	USD	3,876,561	3,724,733	0.93
<b>Consumer Staples</b>			<b>4,795,802</b>	<b>3,957,276</b>	<b>0.98</b>
2,866,968	Credit Suisse AG - Tangrenshen Group Co., Ltd.	USD	4,795,802	3,957,276	0.98
<b>Financials</b>			<b>12,091,794</b>	<b>15,673,177</b>	<b>3.90</b>
1,340,000	Credit Suisse AG - China Merchants Securities	USD	5,029,120	6,101,154	1.52
2,227,969	GF Securities Co., Ltd. 02/12/2019	USD	7,062,674	9,572,023	2.38
<b>Health Care</b>			<b>4,169,629</b>	<b>3,651,948</b>	<b>0.91</b>
472,689	Credit Suisse AG - Topchoice Medical Investment	USD	4,169,629	3,651,948	0.91

## ChinaAMC China Opportunities Fund

Nominal / Quantity	Description	Local Currency	Acquisition cost	Market value	% of Net Assets
<b>Utilities</b>			<b>4,853,320</b>	<b>4,790,339</b>	<b>1.19</b>
3,094,934	Credit Suisse AG - Henan Yuneng Holdings Co.	USD	4,853,320	4,790,339	1.19
<b>Mutual Funds</b>			<b>13,800,000</b>	<b>15,591,240</b>	<b>3.88</b>
1,380,000	ChinaAMC China A Share Opportunities Fund "I"	USD	13,800,000	15,591,240	3.88
<b>Total portfolio</b>			<b>357,086,576</b>	<b>390,834,945</b>	<b>97.24</b>
<b>Other net assets</b>				<b>11,104,584</b>	<b>2.76</b>
<b>Total net assets</b>				<b>401,939,529</b>	<b>100.00</b>

## ChinaAMC China Growth Fund

### SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2014 IN USD

Nominal / Quantity	Description	Local Currency	Acquisition cost	Market value	% of Net Assets
<b>TRANSFERABLE SECURITIES LISTED ON AN OFFICIAL STOCK EXCHANGE</b>			<b>66,645,745</b>	<b>66,672,616</b>	<b>50.11</b>
<b>Shares</b>			<b>21,285,879</b>	<b>21,310,344</b>	<b>16.02</b>
<b>Consumer Discretionary</b>			<b>644,600</b>	<b>1,035,957</b>	<b>0.78</b>
1,236,000	China Harmony Auto Holding Ltd.	HKD	644,600	1,035,957	0.78
<b>Consumer Staples</b>			<b>778,252</b>	<b>608,012</b>	<b>0.46</b>
1,766,000	China Foods Ltd.	HKD	778,252	608,012	0.46
<b>Energy</b>			<b>237,030</b>	<b>228,854</b>	<b>0.17</b>
170,000	CNOOC Ltd.	HKD	237,030	228,854	0.17
<b>Financials</b>			<b>9,297,365</b>	<b>9,635,676</b>	<b>7.24</b>
1,439,000	China Life Insurance Co., Ltd. "H"	HKD	5,281,871	5,650,123	4.25
2,173,400	Guangzhou R&F Properties Co., Ltd. "H"	HKD	2,695,079	2,659,596	2.00
130,000	Ping An Insurance Group Co. "H"	HKD	1,320,415	1,325,957	0.99
<b>Industrials</b>			<b>2,713,387</b>	<b>3,070,357</b>	<b>2.31</b>
546,000	China Communications Construction Co., Ltd. "H"	HKD	656,123	656,877	0.49
2,766,000	China Shipping Container Lines Co., Ltd. "H"	HKD	803,956	873,832	0.66
5,260,000	Cw Group Holdings Ltd.	HKD	1,253,308	1,539,648	1.16
<b>Information Technology</b>			<b>5,831,527</b>	<b>4,910,881</b>	<b>3.69</b>
12,026,000	China Electronics Corporation Holdings Co., Ltd.	HKD	3,432,624	2,899,831	2.18
4,545,000	Hi Sun Technology China Ltd.	HKD	1,351,156	1,125,239	0.84
2,216,000	Technovator International Ltd.	HKD	1,047,747	885,811	0.67
<b>Materials</b>			<b>525,467</b>	<b>579,109</b>	<b>0.44</b>
692,000	BBMG Corp. "H"	HKD	525,467	579,109	0.44
<b>Utilities</b>			<b>1,258,251</b>	<b>1,241,498</b>	<b>0.93</b>
4,814,000	CGN Meiya Power Holdings Co., Ltd.	HKD	1,258,251	1,241,498	0.93
<b>Government Bonds</b>			<b>45,359,866</b>	<b>45,362,272</b>	<b>34.09</b>
45,362,000	United States Treasury Bill 0.00% 03/26/2015	USD	45,359,866	45,362,272	34.09
<b>Commercial Papers</b>			<b>11,896,241</b>	<b>11,862,396</b>	<b>8.92</b>
11,900,000	SBAB Bank AB 0.00% 2/27/2015	USD	11,896,241	11,862,396	8.92
<b>Total portfolio</b>			<b>78,541,986</b>	<b>78,535,012</b>	<b>59.03</b>
<b>Other net assets</b>				<b>54,509,625</b>	<b>40.97</b>
<b>Total net assets</b>				<b>133,044,637</b>	<b>100.00</b>

## ChinaAMC China Growth Fund

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### SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2014 IN USD

### FORWARD FOREIGN EXCHANGE CONTRACTS AS AT DECEMBER 31, 2014

Maturity	Amount bought	Currency	Amount sold	Currency	Unrealised gain/(loss) (USD)
					<b>139,979</b>
30/01/2015	15,480,000.00	GBP	24,015,672.00	USD	139,979

The counterparty for forward foreign exchange contracts is HSBC Bank Plc.

## ChinaAMC China Growth Fund

### SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2014 IN USD

#### SWAP CONTRACTS AS AT DECEMBER 31, 2014

Notional	Pay	Receive	Counterparty	Currency	Maturity	Unrealised gain / (loss) (USD)
<b>TOTAL RETURN SWAP</b>						<b>1,683,022</b>
(1,367,029)	USD 1 month FEDEF	Poly Real Estate Group Co., Ltd.	Credit Suisse	USD	03/12/2015	270,098
(4,102,599)	USD 1 month FEDEF	Ping An Insurance Group Co.	Merrill Lynch	USD	01/12/2015	575,433
(3,479,520)	USD 1 month LIBOR	China Life Insurance Co., Ltd.	Merrill Lynch	USD	17/12/2015	982,440
<b>UNREALISED GAIN ON TOTAL RETURN SWAP</b>						<b>1,827,971</b>
24,874,889	HSBC Holdings PLC	HKD 1 month HONIX	Merrill Lynch	HKD	18/12/2015	(36,764)
(751,624)	USD 1 month FEDEF	SAIC Motor Corp., Ltd.	Merrill Lynch	USD	03/12/2015	(7,175)
(660,275)	USD 1 month LIBOR	China Spacesat Technology Co., Ltd.	Merrill Lynch	USD	07/12/2015	(67,896)
(1,345,599)	USD 1 month LIBOR	Daqin Railway Co., Ltd.	Merrill Lynch	USD	17/12/2015	(33,114)
<b>UNREALISED LOSS ON TOTAL RETURN SWAP</b>						<b>(144,949)</b>

Cash of USD 11,831,089 is held as collateral at Credit Suisse.

Cash of USD 10,086,627 is held as collateral at Merrill Lynch.

## ChinaAMC China A Share Opportunities Fund

### SCHEDULE OF INVESTMENTS AS AT DECEMBER 31, 2014 IN USD

Quantity	Description	Local Currency	Acquisition cost	Market value	% of Net Assets
<b>TRANSFERABLE SECURITIES LISTED ON AN OFFICIAL STOCK EXCHANGE</b>			<b>12,526,064</b>	<b>13,966,392</b>	<b>87.52</b>
<b>Shares</b>			<b>12,526,064</b>	<b>13,966,392</b>	<b>87.52</b>
<b>Consumer Discretionary</b>			<b>595,915</b>	<b>732,979</b>	<b>4.59</b>
551,200	Shenzhen Overseas Chinese Town Co., Ltd. "A"	CNY	595,915	732,979	4.59
<b>Consumer Staples</b>			<b>904,876</b>	<b>828,425</b>	<b>5.19</b>
249,985	Hefei Fengle Seed Co., Ltd. "A"	CNY	453,669	415,836	2.61
130,000	Yuan Longping High-tech Agriculture Co., Ltd. "A"	CNY	451,207	412,589	2.58
<b>Financials</b>			<b>5,960,985</b>	<b>7,202,052</b>	<b>45.13</b>
211,800	China Merchants Property Development Co., Ltd. "A"	CNY	568,463	900,935	5.65
153,200	China Merchants Securities Co., Ltd. "A"	CNY	632,822	698,092	4.37
360,300	China Minsheng Banking Corp., Ltd. "A"	CNY	630,433	631,861	3.96
211,000	China Vanke Co., Ltd. "A"	CNY	471,299	472,743	2.96
90,400	Everbright Securities Co., Ltd. "A"	CNY	397,162	415,717	2.60
109,000	New China Life Insurance Co., Ltd. "A"	CNY	726,376	869,681	5.45
97,600	Ping An Insurance Group Co., Ltd. "A"	CNY	842,942	1,176,266	7.37
888,200	Poly Real Estate Group Co., Ltd. "A"	CNY	1,215,862	1,549,053	9.71
183,934	Thaihot Group Co., Ltd. "A"	CNY	475,626	487,704	3.06
<b>Industrials</b>			<b>2,455,945</b>	<b>2,382,101</b>	<b>14.93</b>
130,000	China CAMC Engineering Co., Ltd. "A"	CNY	599,105	572,469	3.59
660,200	China Eastern Airlines Corp., Ltd. "A"	CNY	626,385	551,231	3.45
479,968	China State Construction Engineering Corp., Ltd. "A"	CNY	523,150	563,212	3.53
610,900	Zoomlion Heavy Industry Science and Technology Co., Ltd. "A"	CNY	707,305	695,189	4.36
<b>Materials</b>			<b>1,625,723</b>	<b>1,841,029</b>	<b>11.54</b>
595,800	Angang Steel Co., Ltd. "A"	CNY	500,348	590,614	3.70
373,997	BBMG Corp. "A"	CNY	541,147	610,669	3.83
141,800	Luxin Venture Capital Group Co., Ltd. "A"	CNY	584,228	639,746	4.01
<b>Utilities</b>			<b>982,620</b>	<b>979,806</b>	<b>6.14</b>
180,000	Beijing Capital Co., Ltd. "A"	CNY	353,741	342,360	2.15
177,900	Zhongshan Public Utilities Group Co., Ltd. "A"	CNY	628,879	637,446	3.99
<b>Total portfolio</b>			<b>12,526,064</b>	<b>13,966,392</b>	<b>87.52</b>
<b>Other net assets</b>				<b>1,992,112</b>	<b>12.48</b>
<b>Total net assets</b>				<b>15,958,504</b>	<b>100.00</b>

## ChinaAMC Fund

### NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

#### 1. GENERAL INFORMATION

ChinaAMC Fund (the "Fund") is an investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a "*Société d'Investissement à Capital variable*" (SICAV). The Fund has been incorporated in Luxembourg on August 10, 2010 for an unlimited period.

Until June 30, 2011, the Fund was registered under Part I of the amended Luxembourg Law of December 20, 2002 (the "2002 Law") on undertakings for collective investment in transferable securities (UCITS) as defined in the Directive of the Council of the European Community of December 20, 1985 (directive 85/611/EEC) as modified by the European directives 2001/107/CE and 2001/108/CE of January 21, 2002. Since July 1, 2011, the Fund is registered under Part I of the Law of December 17, 2010 (the "2010 Law") as amended.

On July 28, 2014, the Hong Kong Securities and Futures Commissions ("HKSF") authorised Hong Kong registration of the Sub-Fund ChinaAMC China Opportunities Fund.

ChinaAMC China Growth Fund and ChinaAMC China A Share Opportunities Fund are not registered with the HKSF and consequently are not available to Hong Kong investors.

Following its introduction in September 2009, the Board of Directors has adopted the Association of the Luxembourg Fund Industry ("ALFI") Code of Conduct, which sets out the principles of good governance. The Board considers that the Fund has been in compliance with the Code in all material respects throughout the year ended December 31, 2014.

The objective of the Fund is to offer its shareholders an easy access to the different markets of transferable securities while ensuring the observance of the principle of risk spreading. All transferable securities purchased are admitted to an official listing on a stock exchange or dealt in on a regulated market which operates regularly, is recognised and is open to the public.

As at December 31, 2014, the Fund has three active Sub-Funds: the ChinaAMC China Opportunities Fund, the ChinaAMC China Growth Fund and the ChinaAMC China A Share Opportunities Fund (the "Sub-Funds"). The Sub-Fund ChinaAMC China Opportunities Fund commenced investment operations on October 11, 2010, the Sub-Fund ChinaAMC China Growth Fund commenced investment operations on April 1, 2011 and the Sub-Fund ChinaAMC China A Share Opportunities Fund commenced investment operations on November 28, 2014.

The Share Classes issued as at December 31, 2014 are the following:

Sub-Funds	Share classes issued
ChinaAMC China Opportunities Fund	A Accumulation EUR, A Accumulation USD, A Accumulation HKD, I Accumulation USD
ChinaAMC China Growth Fund	A Accumulation USD, B Accumulation USD, I Accumulation USD, I Accumulation GBP
ChinaAMC China A Share Opportunities Fund	I Accumulation USD

Class I GBP Accumulation has been launched on ChinaAMC China Growth Fund on April 11, 2014.

Class A HKD Accumulation has been launched on ChinaAMC China Opportunities Fund on November 3, 2014.

Class I USD Accumulation has been launched on ChinaAMC China A Share Opportunities Fund on November 28, 2014.

## ChinaAMC Fund

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ChinaAMC China Opportunities Fund seeks to maximise capital growth primarily through investment in China related listed equity (e.g. A-shares, B-shares and H-shares; directly and/or indirectly) and equity related instruments (e.g. equity linked notes) of companies around the world, including but not limited to companies listed on stocks exchanges and/or with registered offices located in China and the Hong Kong S.A.R. (hereinafter "Hong Kong"), and companies that do not have their registered offices located in China or Hong Kong but either (i) carry out a predominant proportion of their business activity in these markets, or (ii) are holding companies which predominantly own companies with registered offices in Hong Kong or China. Other eligible investment instruments include convertibles, financial derivatives instruments, ETFs, open-ended funds, and cash.

ChinaAMC China Growth Fund seeks to achieve absolute capital appreciation in the long term across varying market conditions principally from a portfolio of investments in Chinese equities (e.g. A-shares, B-shares and H-shares; directly and/or indirectly) and equity related instruments (e.g. equity linked notes and convertibles) of companies around the world, including but not limited to companies listed on stock exchanges and/or with registered offices located in China and Hong Kong and companies that do not have their registered offices in China and Hong Kong but either (i) carry out a predominant proportion of their business activity in these markets, or (ii) are holding companies which predominantly own companies with registered offices in Hong Kong and China. Other eligible instruments included financial derivatives, ETFs and open-ended fund which are fully or partially invested in Chinese equities.

ChinaAMC China A Share Opportunities Fund seeks to achieve capital appreciation and income generation by investing primarily in onshore RMB (i.e. CNY) denominated equity securities issued by issuers based in, or having a significant exposure to, the People's Republic of China (the "PRC") and Hong Kong, as further described below. The investment and trading in China A-Shares by the Investment Manager, requires the latter to be granted a licence as a "Renminbi qualified foreign institutional investor" (hereinafter "R-QFII") by the China Securities Regulatory Commission (hereinafter the "CSRC"). The Investment Manager holds an R-QFII licence since December, 2011 and has been allocated R-QFII quotas by the PRC State Administration of Foreign Exchange (hereinafter the "SAFE") in relation to investments in the PRC. The portfolio construction is based on the Investment Manager's fundamental view of the equity markets and is independent from broad market benchmarks. In particular the Sub-Fund's performance will not be measured against any benchmark, since there is no benchmark available which appropriately reflects the strategy implemented by the Sub-Fund.

The Investment Manager was granted an R-QFII license and the ChinaAMC China A Share Opportunities Fund invests in China A shares via the Investment Manager's R-QFII license. The securities are registered in the joint names of the Investment Manager and the Sub-Fund, the Investment Manager as R-QFII license holder shall have no ownership interest in the securities the Investment Manager purchases pursuant to its R-QFII license for the Sub-Fund and therefore the Sub-Fund shall be ultimately and exclusively entitled to ownership of the securities. However, the Investment Manager, as the R-QFII license holder, is the registered owner of these securities (albeit that this entitlement does not constitute a beneficial ownership interest or preclude the Investment Manager purchasing the securities on behalf of the Sub-Fund), the Sub-Fund's assets may not be as well protected as they would be if it were possible for them to be registered and held solely in the name of the Sub-Fund.

The investment policies of the Sub-Funds are fully described in the prospectus. The prospectus is available free of charge, upon request, at the principal and registered office of the Fund.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fund keeps the books of the Sub-Funds in USD, its base currency, and the financial statements were prepared in accordance with the Luxembourg legal and regulatory requirements applicable to investment funds. The following is a summary of significant accounting policies followed by the Fund:

#### a) Valuation of investment in securities

Investment in securities quoted on an official stock exchange or on another regulated market is valued according to the last known price and, in the event of being quoted on several markets, according to the last known price of the principal market.

Valuation of investment in securities not quoted on an official stock exchange or on another regulated market is fixed in a reasonable way on the basis of the sale prices anticipated cautiously and in good faith or, in the absence of a market value, according to the probable value in the reasonable estimation of the Board of Directors.

The value of each investment in open-ended funds, either listed or not, is based on the last known net asset value on the Valuation Day.

#### b) Valuation of cross sub-fund investment

At December 31, 2014 the total cross sub-fund investment of ChinaAMC China Opportunities Fund in ChinaAMC China A Share Opportunities Fund amounted to USD 15,591,240 as presented in the Schedule of Investments disclosed on page 12 to 13 of this report.

Therefore the total combined Net Assets at year-end without cross sub-fund investment would amount to USD 535,351,430 instead of USD 550,942,670 as disclosed on pages 8 and 9 of this report.

#### c) Valuation of financial future contracts

The valuation of financial future contracts is made at the exchange quoted price at 1:00 pm Luxembourg time. Initial margin deposits are made in cash upon entering into futures contracts. During the period the future contract is open, changes in the value of the contract are recognised as unrealised gains and losses by marking to market on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received, depending upon whether unrealised losses or gains are incurred. Variation margin payments are recorded in amounts due from or to brokers in the statement of net assets. When the contract is closed, the Sub-Fund records a realised gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the opening transaction.

#### d) Valuation of swap contracts

The valuation of swap contracts is made at fair market value as determined in good faith pursuant to procedures established by the Board of Directors of the Fund.

Swaps are, in general, contracts by which two parties commit themselves during a given period to exchange two flows, one in exchange for the other, determined on the basis of a nominal value. The flows may be linked to the interest rate(s), exchange rate(s), share(s), index(es) or credit event(s).

Swap contracts are valued using the difference between the values of forecasted flows the counterparty is to pay to the Sub-Fund and those owed by the Sub-Fund to its counterparties.

The upfront premiums paid or received are recognised as cost or proceeds on the Statement of Net Assets.

## ChinaAMC Fund

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Unrealised gains and losses on swap contracts are recorded in the Statement of Net Assets and their variations are recorded in the Statement of Operations and Changes in Net Assets under the heading "Change in unrealised appreciation / (depreciation) on swap contracts".

Swap contracts are presented at clean price in the Statement of Net Assets, interests thereon are recorded in "Interest payable on swap contracts".

### **e) Valuation of forward foreign exchange contracts**

The forward foreign exchange contracts are valued on the basis of forward foreign exchange rates prevailing on the valuation date. The change in unrealised gain or loss is disclosed in the Statement of Operations and Changes in Net Assets under "change in unrealised appreciation / (depreciation) on forward foreign exchange contracts". The realised gain / (loss) on forward foreign exchange contracts is disclosed in the Statement of Operations and Changes in Net Assets under "net realised gain / (loss) on forward foreign exchange contracts".

### **f) Net realised gain / (loss) on sale of investments in securities**

Realised gains or losses made on the sales of investments in securities are calculated according to the average cost.

Realised gains and losses are recorded in the Statement of Operations and Changes in Net Assets.

### **g) Cost of purchase of securities in portfolios**

For securities in currencies other than the base currency of each Sub-Fund, the purchase price is calculated according to the closing exchange rate on the day of purchase.

### **h) Income**

Dividends are recognised on the date on which the shares concerned are quoted "ex-dividend", net of withholding tax. Interest is calculated and recognised on a prorata temporis basis.

### **i) Translation of items expressed in foreign currencies**

Assets and liabilities in foreign currencies are converted into the base currency of each Sub-Fund at the closing exchange rate on the final day of the financial period.

Income and expenses in currencies other than the base currency of the Sub-Funds are converted into the currency of the Sub-Funds at the closing exchange rate in force on the day of the transaction.

Any resulting gain or loss made on foreign exchange is included in the Statement of Operations and Changes in Net Assets.

The main exchange rates as at December 31, 2014 are:

1 USD =	6.204000	CNY
1 USD =	0.822707	EUR
1 USD =	7.755150	HKD
1 USD =	1.321200	SGD

### **j) Amounts due from/to Brokers**

Amounts due from brokers consist primarily of cash receivable from the Fund's clearing brokers and various counterparties serving as collateral for the commitments resulting from derivatives contracts. These amounts are disclosed in the schedules of investments. Amounts due to brokers consist primarily of cash payable to the Portfolio's clearing brokers and various counterparties.

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## ChinaAMC Fund

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Amounts due from brokers related to swaps contracts held by ChinaAMC China Growth Fund are disclosed on page 16 of this report.

In addition, the following amounts were held by ChinaAMC China Growth Fund with no open position as of December 31, 2014:

- USD 8,607,192 at HSBC
- USD 5,780,059 at Morgan Stanley
- USD 2,097,610 at Morgan Stanley & Co. International.

### **k) Net Asset Value**

The Net Asset Value of each Sub-Fund is equal to the difference between the total assets and the liabilities of the Sub-Fund.

The Net Asset Value per share is calculated by dividing the net asset value by the number of shares of the respective Sub-Fund and share class outstanding on the day of calculation.

### **l) Use of Estimates**

The preparation of the financial statements in conformity with the Luxembourg legal and regulatory requirements requires management to make estimate and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported periods. Actual results could differ from those estimates.

### **m) Formation expenses**

The formation expenses represent the cost of establishing the Fund. The formation expenses are capitalised and amortised on a straight-line basis over a period of five years from the date of commencement of the Fund.

The formation expenses in relation to new Sub-Fund are borne by these new Sub-Funds and may be amortised over a period of five years.

Newly launched Sub-Funds do not participate to the non-amortised formation expenses of the Fund.

## **3. TAXATION**

Under current law and practice, the Fund is not liable to any Luxembourg tax on income or capital gains, nor are dividends (if any) paid by the Fund liable to any Luxembourg withholdings tax.

The Fund is however, liable in Luxembourg to a *taxe d'abonnement* of 0.05% per annum of its Net Asset Value, such tax being payable quarterly and calculated on the Net Asset Value of each Sub-Fund at the end of the relevant quarter.

However, such rate is decreased to 0.01% per annum of their Net Asset Value for Class I shares or Sub-Funds which are restricted to Institutional Investors as specified in the prospectus.

No Luxembourg tax is payable on the realised capital appreciation of the assets of the Fund.

Dividends and interest received by each Sub-Fund in its investments may be subject to non-recoverable withholding or other taxes in the countries of origin.

The Ministry of Finance of the PRC (the "MoF"), the State Administration of Taxation of the PRC ("SAT") and the CSRC issued the "Notice on the issues of temporary exemption from the imposition of corporate income tax arising from gains from the transfer of equity investment assets such as PRC domestic stocks by Qualified Foreign Institutional Investor ("QFII") and R-QFII" Caishui [2014] No.79 on 14 November 2014 (the "Notice"). The Notice states that PRC corporate income tax will be imposed on capital gains derived by QFII and R-QFII from the sales of equity investment assets

## ChinaAMC Fund

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(including PRC domestic stocks) prior to 17 November 2014 ("capital gains tax") in accordance with laws. The Notice also states that R-QFIIs without an establishment or two places of business in the PRC will be temporarily exempt from corporate income tax on gains derived from the trading of A-Shares effective from 17 November 2014. Gains derived from the disposal of equity investment should be calculated on a transaction-by-transaction basis and gains cannot offset against losses.

Under the terms of the agreements entered into between the Fund and certain brokers, these brokers have withheld amounts representing potential PRC tax at the rate of 10% on the realised gains at the time of disposal of the A-Shares investment instruments. Since the Fund's inception to the year ended December 31, 2014, such CWT amounted to USD 16,338.

#### 4. MANAGEMENT COMPANY FEE

The Fund pays to the Management Company a management company fee amounting to a maximum rate of 0.06% per annum of the Net Asset Value of the Sub-Fund. The management company fee is payable monthly in arrears, and is calculated on the last Net Asset Value of each month with a minimum monthly fee of EUR 1,800 per Sub-Fund.

As of December 31, 2014, there was USD 34,317 payable for management company fees.

#### 5. INVESTMENT MANAGEMENT FEE

The Investment Manager, as remuneration for its services, is entitled to receive an investment management fee calculated according to the Net Asset Value of each Sub-Fund. As at December 31, 2014, the rates currently in force for each active Sub-Fund are the following:

Sub-Funds	Annual management fee rate by Share Class:		
	A	B	I
ChinaAMC China Opportunities Fund	1.80%	1.80%	1.00%
ChinaAMC China Growth Fund	2.00%	2.00%	1.00%
ChinaAMC China A Share Opportunities Fund	2.00%	2.00%	1.00%

The investment management fee is payable monthly in arrears on the total net assets of the Sub-Fund.

The Investment Manager reserves the right to waive fees to which it is entitled to or rebate any other fees, whether in part or in full and whether in respect of particular investors or generally.

The maximum total expense ratios ("CAP ratios") agreed for the year ended December 31, 2014 were as followed:

Sub-Funds	Share Classes	CAP ratios
ChinaAMC China Opportunities Fund	A Accumulation EUR	2.80%
	A Accumulation USD	2.80%
	A Accumulation HKD	2.80%
	I Accumulation USD	2.00%
ChinaAMC China Growth Fund	A Accumulation USD	3.25%
	B Accumulation USD	3.25%
	I Accumulation USD	2.25%
	I Accumulation GBP	2.25%
ChinaAMC China A Share Opportunities Fund	I Accumulation USD	2.00%

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## ChinaAMC Fund

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As of December 31, 2014, there was USD 1,702,841 payable for investment management fees and the amount of fees to be reimbursed from the Investment Manager was USD 433,503.

For the year ended December 31, 2014, investment management fees of USD 5,097,255 have been charged and the amount of reimbursement recorded was USD 1,999.

### 6. PERFORMANCE FEE

- For the Sub-Fund ChinaAMC China Growth Fund

In addition to the investment management fee, the Investment Manager is entitled to a performance fee, which is paid out of the assets of the Sub-Fund in arrears within 30 days after each performance period. The performance period shall be each financial year, except when a relevant class of Shares is created during the financial year, the performance period is from the creation of such class to the end of the respective financial year.

The performance fee is subject to a "High Water Mark" ("HWM") principle to ensure that investors are not charged a performance fee until any previous losses are recovered. For the initial performance period, the HWM is the initial Net Asset Value per Share of the relevant class of Shares. For subsequent performance periods, the HWM is the greater of i) Net Asset Value per Share on the last dealing day of previous performance period or ii) the HWM applicable during the previous performance period.

On each dealing day, the daily performance fee accrual for each Share is calculated as 20 per cent of the difference between the net asset value per Share of a class on the dealing day before performance fee accrual ("BNAV(today)") of the relevant class and the higher of the HWM and the net asset value per Share of the relevant class on the previous dealing day ("NAV(previous)"). In other words, Daily Performance Fee Accrual for each Share =  $20\% \times [\text{BNAV}(\text{today}) - (\text{Higher of HWM or NAV}(\text{previous}))]$ .

If the daily performance fee accrual for each Share of the relevant class is negative, the total negative performance fee accrual is limited to the positive balance of the cumulative performance fee accrual (if any). In other words, the total negative performance fee accrual reduces the cumulative performance fee accrual until the accrual reaches a minimum level of zero and the balance of the cumulative performance fee accrual per Share becomes zero (even if the total negative performance fee accrual is, in absolute, greater than the positive cumulative performance fee accrual).

For each class of Shares, the performance fee accrual is calculated by multiplying the performance fee accrual for each Share by the total number of Shares of that class in issue at the close of business on the immediately preceding dealing day.

On the last dealing day of each financial year of the Sub-Fund, the positive balance (if any) of the cumulative performance fee accrual becomes payable to the Investment Manager and the cumulative performance fee accrual for the relevant class of Shares is reset to zero. If any Shares are redeemed on a dealing day during the relevant performance period, the cumulative performance fee accrual during the relevant financial year in respect of those Shares shall be crystallised and become payable to the Investment Manager. Under no circumstance will the Investment Manager pay money into the Sub-Fund or to any Shareholder for any underperformance.

## ChinaAMC Fund

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- For the Sub-Fund ChinaAMC China A Share Opportunities Fund

In addition to the investment management fee, the Investment Manager may receive a performance fee, which will be paid out of the assets of the Sub-Fund in arrears within 30 days after each performance period. The performance period shall be each financial year, except when a relevant class of Shares is created during the financial year, the performance period will be from the creation of such class to the end of the respective financial year.

The performance fee will be subject to a "High Water Mark" ("HWM") principle to ensure that investors will not be charged a performance fee until any previous losses are recovered. For the initial performance period, the HWM will be the initial Net Asset Value per Share of the relevant class of Shares. For subsequent performance periods, the HWM is the greater of i) Net Asset Value per Share on the last dealing day of previous performance period or ii) the HWM applicable during the previous performance period.

On each dealing day, the daily performance fee accrual for each Share will be calculated as 10 per cent of the positive difference, if any, between (i) the net asset value per Share of a class on the dealing day before performance fee accrual ("BNAV(today)") of the relevant class and (ii) the produce of 1 + the applicable Hurdle Rate and the higher of the HWM or the net asset value per Share of the relevant class on the previous dealing day ("NAV(previous)").

In this context, the hurdle rate is being defined as the product of  $5\% \times [T / 365]$ , where "T", as at a Valuation Day, means the number of calendar day(s) (including that Valuation Day) of a Performance Period passed in that Performance Period (for example, where 1 January is the Valuation Day, the applicable Hurdle Rate will be  $5\% \times [1/365]$ ; where 30 June is the Valuation Day, the applicable Hurdle Rate will be  $5\% \times [181/365]$ ; and where 31 December is the Valuation Day, the applicable Hurdle Rate will be  $5\%$ ) (the "Hurdle Rate"). In other words, Daily Performance Fee Accrual for each Share =  $10\% \times [BNAV(\text{today}) - (\text{Higher of } ((1+\text{Hurdle Rate}) \text{ HWM or NAV (previous)))]$

If the daily performance fee accrual for each Share of the relevant class is negative, the total negative performance fee accrual will be limited to the positive balance of the cumulative performance fee accrual (if any). In other words, the total negative performance fee accrual will reduce the cumulative performance fee accrual until the accrual reaches a minimum level of zero and the balance of the cumulative performance fee accrual per Share will become zero (even if the total negative performance fee accrual is, in absolute, greater than the positive cumulative performance fee accrual). For each class of Shares, the performance fee accrual will be calculated by multiplying the performance fee accrual for each Share by the total number of Shares of that class in issue at the close of business on the immediately preceding dealing day.

On the last dealing day of each financial year of the Sub-Funds, the positive balance (if any) of the cumulative performance fee accrual will become payable to the Investment Manager and the cumulative performance fee accrual for the relevant class of Shares will be reset to zero. If any Shares are redeemed on a dealing day during the relevant performance period, the cumulative performance fee accrual during the relevant financial year in respect of those Shares shall be crystallised and become payable to the Investment Manager. Under no circumstance will the Investment Manager pay money into the Sub-Fund or to any Shareholder for any underperformance.

## ChinaAMC Fund

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During the year ended December 31, 2014, an amount of USD 3,109,422 has been accrued as performance fees.

For the Sub-Fund ChinaAMC China Opportunities Fund the Investment manager is not entitled to a performance fee.

### **7. DISTRIBUTION FEES**

For the services provided in the promotion of the Fund's shares, the Distributor is entitled to a distribution fee out of the assets of the Sub-Fund. The distribution fee is calculated at the beginning of the month, for each Calendar day of the previous month by reference to the Net Asset Value of Class B Shares of the Sub-Fund, and payable monthly in arrears.

The Distributor may, from time to time, rebate to local distributors, sales agents, introducing brokers or to shareholders a portion or all of the fees.

There were no distribution fees paid during the year ended December 31, 2014.

### **8. DEPOSITARY AND CUSTODY FEES**

As custodian/depositary, State Street Bank Luxembourg S.A. is entitled to receive out of the assets of the Fund, fees in consideration for providing services to it, along with such out-of-pocket expenses and disbursements as are deemed reasonable and customary by the Board of Directors. The fees payable to State Street Bank Luxembourg S.A. comprise transaction-based fees and asset-based fees. Such fees vary between 0.025% and 0.65% of the net asset value depending on the market in which each Sub-Fund invests. The depositary fees are subject to a minimum monthly fee of EUR 2,000 per Sub-Fund.

As of December 31, 2014, there was USD 41,762 payable for Depositary and custody fees.

### **9. ADMINISTRATOR, TRANSFER AGENT AND REGISTRAR FEES**

As administrator, transfer agent and registrar, State Street Bank Luxembourg S.A. is entitled to receive out of the assets of the Fund, fees in consideration for providing services to it, along with such out-of-pocket expenses and disbursements as are deemed reasonable and customary by the Board of Directors. The fees payable to State Street Bank Luxembourg S.A. comprise transaction-based fees and asset-based fees. The Administrator fees, the Transfer agency fees and the Registrar fees vary between 0.01% and 0.26% of the net asset value depending on the market in which each Sub-Fund invests. The administration, transfer agent and registrar fees are subject to a minimum monthly fee of EUR 2,000 per Sub-Fund for the administrator fee and EUR 2,000 per share classes and EUR 7,500 per Sub-Fund for the transfer agency fee.

As of December 31, 2014, there was USD 40,637 payable for Administrator fees.

As of December 31, 2014, there was USD 49,250 payable for Transfer Agent and Registrar Payable fees.

### **10. FUTURES CONTRACTS, FORWARD FOREIGN EXCHANGE CONTRACTS AND SWAP CONTRACTS**

During the financial year, the Sub-Fund ChinaAMC China Growth Fund has taken out future contracts, forward foreign exchange contracts and swap contracts. Details of open positions as at December 31, 2014 are disclosed following the Schedule of Investments of the concerned Sub-Funds.

## ChinaAMC Fund

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### 11. CHANGES IN THE COMPOSITION OF THE PORTFOLIO

The list of movements in the portfolio composition for the year ended December 31, 2014 is available free of charges at the Fund's registered office.

### 12. RELATED PARTY TRANSACTIONS

All transactions with related parties were entered into the ordinary course of business and under normal commercial terms. The related parties to the Fund are the Investment Manager, the Board of Directors and the Distributor. To the best of the Investment Manager's knowledge, the Fund does not have any other transactions with connected person except for the Investment Manager fees, Performance fees and Investment Manager reimbursement of fee as mentioned in these financial statements, and what is disclosed below:

As at 31 December 2014, the ChinaAMC China Opportunities portfolio had invested in the following fund that is managed by the same Investment Manager as the Fund:

-ChinaAMC China A Share Opportunities Fund "I"

There were no fees paid to the Board of Directors out of the assets of the Fund during the year, and none of the Board of Directors held a direct shareholding in the Fund. No rebates of the Investment management fees has been put in place in regards with this cross sub-funds investment.

### 13. SOFT COMMISSION ARRANGEMENTS

The Investment Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Investment Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and Investment-related publications.

Since the inception of the Fund, the Investment Manager has not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Funds.

### 14. TRANSACTIONS COSTS

For the year ended December 31, 2014, the Sub-Funds incurred transaction costs related to purchase and sale of transferable securities as follows:

Sub-Funds	Sub-Funds Currency	Transactions Costs
ChinaAMC China Opportunities Fund	USD	2,670,600
ChinaAMC China Growth Fund	USD	3,328,579
ChinaAMC China A Share Opportunities Fund	USD	58,483

The transaction costs include broker fees, settlement fees, taxes and other charges.

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## ChinaAMC Fund

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### INFORMATION TO SHAREHOLDERS FOR THE YEAR ENDED DECEMBER 31, 2014 (UNAUDITED)

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#### GLOBAL RISK EXPOSURE

**ChinaAMC China Opportunities Fund:**

The global exposure of the ChinaAMC China Opportunities Fund is monitored via daily Commitment approach.

**ChinaAMC China A Share Opportunities Fund:**

The global exposure of the ChinaAMC China A Share Opportunities Fund is monitored via daily Commitment approach.

**ChinaAMC China Growth Fund:**

The calculation of the global exposure for ChinaAMC China Growth Fund is monitored via the Absolute Value-at-Risk ("VaR") method.

Computation methodology: historical simulation  
Confidence interval: 99%  
Analysis time horizon: one day  
Time series extension: 1 year (250 WD)

From January 1, 2014 to December 31, 2014, the VaR amounted to:

Minimum: 0.86%  
Maximum: 9.48%  
Average: 3.85%

To determine leverage the Management Company is using the sum of notional approach as set out in the ESMA Guidelines 10-788. The average leverage reached during the year ended on December 31, 2014, was 20.59%.