

ChinaAMC China Growth Fund (Class I)

Fund Factsheet



As of 29 March 2018

37/F, Bank of China Tower, 1 Garden Road, Hong Kong

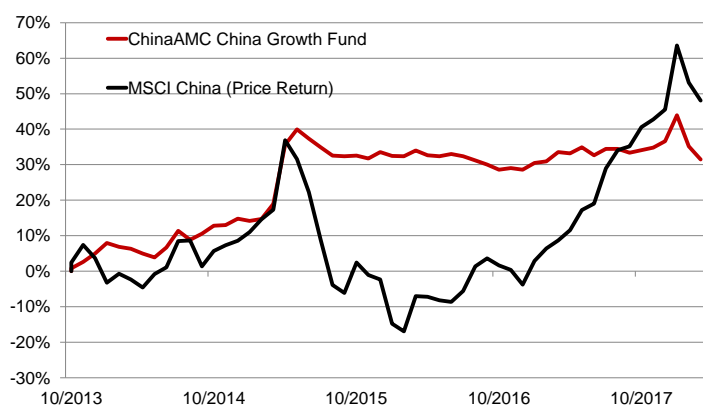
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▲ Investment Objective

The objective of the fund is to seek absolute capital appreciation in the long run by investing principally in China-related listed securities around the world. The investment strategy is to look for companies with strong growth potential, profit generation capability, experienced management and favorable valuation. The portfolio managers adopt a combination of bottom-up and top-down approaches, carrying out rigorous fundamental analysis, on-site visits and proprietary forecasts.

▲ Fund Performance¹

Class I NAV per share **USD 131.49**



Cumulative Return¹

	1-Month	3-Month	6-Month	1-Year	Since Inception ⁴	Annualised (Since Inception) ⁴
ChinaAMC China Growth Fund	-2.72%	-3.78%	-1.42%	-1.54%	+31.49%	+6.27%
MSCI China	-3.28%	+1.74%	+9.55%	+36.24%	+48.09%	+9.12%

Monthly Return¹

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD
2013	-	-	-	-	-	-	-	-	-	+0.84%	+1.82%	+2.22%	+4.96% ⁴
2014	+2.89%	-1.05%	-0.47%	-1.31%	-0.98%	+2.66%	+4.40%	-2.29%	+1.59%	+2.05%	+0.12%	+1.60%	+9.37%
2015	-0.52%	+0.44%	+3.73%	+14.04%	+3.13%	-1.84%	-1.78%	-1.70%	-0.20%	+0.14%	-0.58%	+1.37%	+16.35%
2016	-0.82%	-0.06%	+1.25%	-1.05%	-0.16%	+0.45%	-0.47%	-0.91%	-0.87%	-1.09%	+0.36%	-0.40%	-3.74%
2017	+1.50%	+0.34%	+1.99%	-0.25%	+1.28%	-1.68%	+1.39%	-0.04%	-0.79%	+0.55%	+0.54%	+1.35%	+6.29%
2018	+5.30%	-6.06%	-2.72%										-3.78%

¹ Source: Performance of MSCI China is from Bloomberg. ChinaAMC China Growth Fund includes re-investment of dividends in USD. The base currency of MSCI China is HKD. Conversion from HKD to USD is based on exchange rates from Bloomberg as at respective dates.

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

³ Source: Bloomberg. VaR is calculated at composite level.

⁴ Calculated since fund inception on October 02, 2013.

▲ Fund Information²

Fund Domicile	Cayman Islands
Investment Manager	ChinaAMC Capital Management Limited
Sub-Manager	China Asset Management (Hong Kong) Limited
Launch Date	2-Oct, 2013
Total Fund Size	USD 93.29 million
Dealing Frequency	Monthly
Notice Period for Redemption	30 business days
Base Currency	USD
Launch Price	USD 100
NAV per share (Class I)	USD 131.49
Management Fee	1.5% p.a.
Performance Fee	15% (high water mark)
95% Daily VaR ³	1.66%

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▲ Manager's Comment

The fund registered return of -2.72% in March while the index returned -3.28%. Hong Kong market continue to face sell off pressure due to overseas uncertainties. Investors were concerning on the potential trade war between US and China and it would eventually hurt both economies in the long run. We maintained a relatively low exposure during the first half of the month and we started to accumulate positions during the correction.

The market volatility increased significantly after the CPC meetings in March. Market sentiment remained weak after the correction in February. For overseas market, Fed announced another rate hike in March as expected and the market's focus switched to the trade friction between China and US. President Donald Trump has gradually initiated trade tariffs on a variety of imported goods and claimed to consider additional tariff on Chinese imported goods. China responded with tariffs of its own on imports of 128 U.S. goods. Major markets faced sell off pressure and Hong Kong market corrected more than 3%.

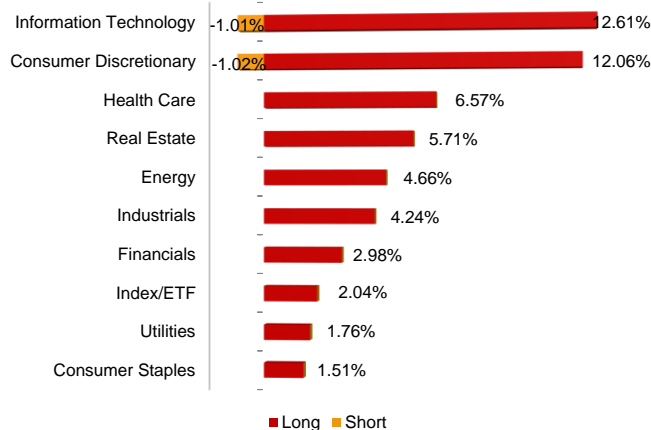
We believed the market was overly react on the trade friction between China and US and we saw good opportunities to accumulate positions in March. Both US and China leaders know very well that a trade war could hurt their nations, but as Trump needs to win the US worker to support for the election this year, he had to do something to deliver the promise during the presidential election. It is very likely that US and China will eventually come up with some agreement on the trade issues and China will continue to open the market for foreign participants and reduce the import tariff in the future.

Therefore, we believe every near term correction will be a good timing to accumulate positions. With the MSCI index inclusion ahead, we believe the A-share market will have relatively good performance with the support of funds inflow and RMB appreciation.

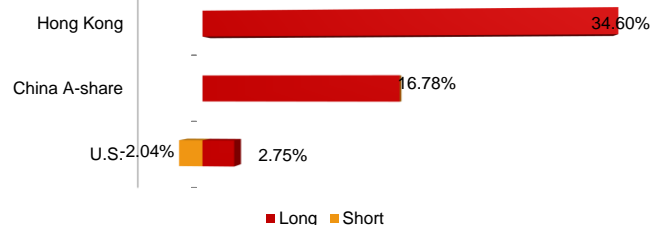
For portfolio management, as we believe the market was overly panic in March, we will continue to increase positions in April during market retreats. We were expecting some rebounds in April after the US and China reached some deals on trades. For sectors, we prefer high beta names such as financials. We also like renewable energy names, such as wind farm operators, for the supportive policies to reduce curtailment issues this year. We will have some index future short during the volatile market but we intent to keep the short position low as we are expecting some rebounds in near term.

▲ Portfolio Analysis

Sector Exposure



Geographical Exposure



Gross Exposure 56.17%
Net Exposure 52.09%

▲ Top 5 Equity Holdings (Long Book)

Security Name	Listing Market	Sector	Weight
SINO BIOPHARMACEUTICAL	Hong Kong	Health Care	5.88%
CHINA VANKE CO LTD-H	Hong Kong	Real Estate	5.71%
BRILLIANCE CHINA AUTOMOTIVE	Hong Kong	Consumer Discretionary	4.16%
GALAXY ENTERTAINMENT GROUP L	Hong Kong	Consumer Discretionary	3.09%
IND & COMM BK OF CHINA-H	Hong Kong	Financials	2.98%

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Risk Warning

- 1.Fund Performance, Portfolio Analysis and Top 5 Equity Holdings data are for Class I unless otherwise specified. Performance is net of Fund level fees/expenses but not sales charges which will reduce returns. Please contact us for performance data of other share classes.
- 2.The Fund principally invests in China-related listed stocks listed in Hong Kong and the Mainland China. Investment involves risks. An investment is not a deposit and investors may be subject to substantial losses, and a loss of original capital may occur. Past performance is not indicative of future performance, future returns are not guaranteed. Key risks of the product may include, but not limited to, stock price volatility and risks related to investment in China markets.
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