

ChinaAMC China Growth Fund (Class I)

Fund Factsheet



As of 30 April 2018

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

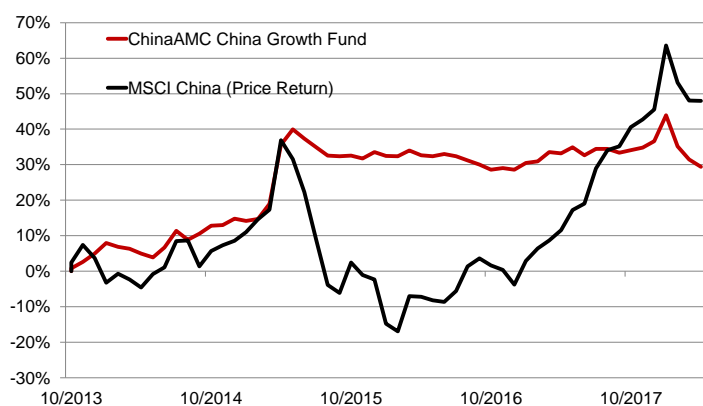
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▲ Investment Objective

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 129.4**



Cumulative Return¹

	1-Month	3-Month	6-Month	1-Year	Since Inception ⁴	Annualised (Since Inception) ⁴
ChinaAMC China Growth Fund	-1.59%	-10.07%	-3.51%	-2.85%	+29.40%	+5.78%
MSCI China	-0.05%	-9.54%	+5.30%	+32.64%	+48.01%	+8.93%

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%	-1.59%									-5.31%

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 91.26 million
Dealing Frequency	Monthly
Notice Period for Redemption	30 business days
Base Currency	USD
Launch Price	USD 100
NAV per share (Class I)	USD 129.4
Management Fee	1.5% p.a.
Performance Fee	15% (high water mark)
95% Daily VaR ³	1.32%

ChinaAMC China Growth Fund (Class I)



▲ Manager's Comment

Hong Kong market was still lack of clear direction in April and the Hang Seng index range-bounded narrowly. On the long side, our sector pick of wind farm operators contributes positively to our return. During the month, wind farm operators announced the first quarter results and it was the key catalyst for the re-rate. Wind power generation increased significantly in the first quarter because the government targeted to reduce the curtailment issues for new energy, the net profit growth of the wind farm operators beat market consensus. Share price react positively to the earnings beat. However, A-share's performance was weaker than our expectation when Shanghai Composite Index down more than 2.7% in April because of the tight liquidity and concern on trade war. It had some negative impact to our fund performance because we had some A-shares exposures.

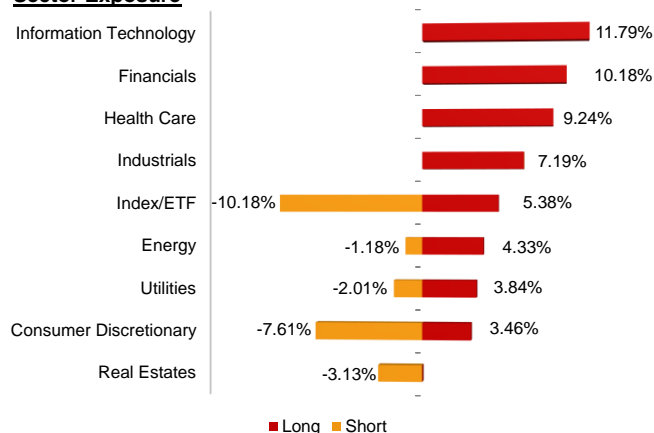
The market was affected by US and China trade issues in April. On April 17, The US Department of Commerce issued a 7-years ban sales by the American companies to China's ZTE corp to punish the Chinese telecommunications equipment maker after it allegedly made false statement during an investigation into sales of its equipment to Iran. As ZTE is one of the giant telecommunications equipment makers in China, investors had concerns that it would have some negative impact on the development of the 5G plan in China. Chinese companies source some key components from American companies to produce communications equipment, especially for the chips, which is the brain of computers. Market sentiment turned weak and the SHCOMP and Hong Kong market corrected immediately. Also, during the month, USD turned strong which caused the weakness in some emerging markets. Hong Kong dollar remains weak and the funds inflow seemed to slow down a bit from domestic market when overseas uncertainties increased.

Looking forward into May, we believe the market will remain range-bounded and investors will focus on the US and China talks and also the US and North Korea meeting. We believe the US government is less likely to reach major consensus with China in key areas before US meet with the North Korea. US will need China's help to continue pressure North Korea to cooperate. If there's no conclusion between US and North Korea meeting in late May or June, it is less likely China and US will reach major consensus in near term. On the other side, we are aware that the strong USD has caused some trouble in Asian and South American countries. We anticipate Indonesia and Argentina's currency and equity markets correction significantly will likely occur within a short period of time.

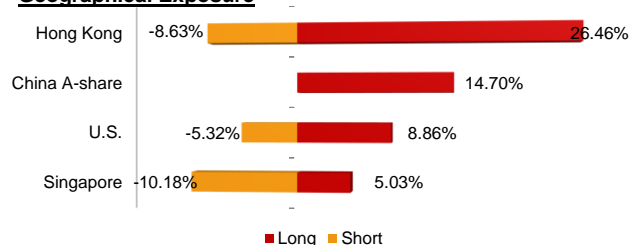
For portfolio management, we will be relatively cautious in May and closely monitor the opportunity to increase exposure if the market has some corrections. On the long side, we still prefer Wind farm operators for the recovery of power generation from existing wind farms. We also like the health care names in middle and long term for fast growth and low correlation with the macro economy. For brokers, we believe more supportive policies to strengthen the competitive advantage before opening to foreign brokers in China. We expect more M&A activities within the industry this year and the share price will likely have reasonable upside in near term. For short positions, we are cautious on yield plays as they tend to get hurt during interest rate hike cycle.

▲ Portfolio Analysis

Sector Exposure



Geographical Exposure



Gross Exposure

79.52%

Net Exposure

31.28%

▲ Top 5 Equity Holdings (Long Book)

Security Name	Listing Market	Sector	Weight
BAIDU INC - SPON ADR	U.S.	Information Technology	6.74%
IND & COMM BK OF CHINA-H	Hong Kong	Financials	6.04%
HUNDSUN TECHNOLOGIES INC-A	China A-share	Information Technology	4.10%
SINO BIOPHARMACEUTICAL	Hong Kong	Health Care	3.46%
CHINA SHENHUA ENERGY CO-H	Hong Kong	Energy	3.31%

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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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