

ChinaAMC China Focus Fund

Fund Factsheet



As of 29 Oct 2021

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:

- The Fund seeks to take investment exposure to companies in or have significant business exposure to China. Investment in China-related companies and in Chinese markets may involve (i) heightened political, tax, economic, foreign exchange, liquidity and regulatory (including the QFII policy) risks, compared to more developed economies or markets; and (ii) concentration risk which may result in greater volatility than broad-based investments. The China A Share market is also unstable, subject to risks of stock suspension, government intervention and foreign investment restrictions.
- The Fund will obtain exposure to the A Share market, partly or fully by investing into access products and will be exposed to the counterparty risk of the issuer of the access products. The availability of access products is limited by applicable regulations in China, and as a result the cost of investment is subject to market supply and demand forces. Where the supply is low relative to the demand, acquiring access products may involve a higher cost or a premium.
- The Fund is subject to risks associated with the Stock Connect, such as change of relevant rules and regulations, quota limitations, suspension of the Stock Connect and information technology limitation. In the event that the Fund's ability to invest in A Shares through the Stock Connect on a timely basis is adversely affected, the Manager will rely on A Share access products investment.
- The Fund will invest in A Share ETFs and is subject to the fees and charges and the risk of tracking errors of the relevant A Share ETFs. If the Fund invests in synthetic ETFs, it will also subject to risks related to derivative instruments.
- There are risks and uncertainties associated with the current PRC tax laws, regulations and practices in respect of capital gains (which may have retrospective effect). Possible changes on the actual applicable tax rates imposed by the SAT and possible expiration of the current exemption of corporate income tax on capital gains may increase the Fund's tax liability and adversely affect the Fund's NAV.
- The Fund will hold investments denominated in currencies different to the base currency of the Fund, meaning the Fund will be at risk to adverse movements in the foreign currency rates.

▲ Investment Objective

The Fund seeks to provide investors with long term capital growth through exposure to China-related companies by investing in equities and equity related instruments.

▲ Fund Performance¹



▲ Fund Information²

Legal Structure	Hong Kong domiciled umbrella structure unit trust
Investment Manager	China Asset Management (Hong Kong) Limited
Inception Date	10 December, 2010
Fund Size	USD 27.84 million
Base Currency	USD
Available Dealing Currencies	USD/EUR/GBP/AUD/SGD/HKD
Dealing Frequency	Daily
Trustee	Cititrust Limited
Custodian	Citibank, N.A. (Hong Kong branch)
Management Fee	1.8% p.a.
Subscription Charge:	Up to 5%
Performance Fee:	10% of appreciation in the NAV per unit during a performance period above the high watermark of the relevant class of units

	USD unit	AUD unit	EUR unit	HKD unit	SGD unit
Fund Price	USD unit 17.435	AUD unit 21.245	EUR unit 20.204	HKD unit 17.789	SGD unit 18.344
Bloomberg Ticker	CACFUSD HK	CACFAUD HK	CACFEUR HK	CACFHKD HK	CACFSGD HK
ISIN Number	HK0000352960	HK0000352911	HK0000352929	HK0000352945	HK0000352952

▲ Cumulative Return¹

	1 Month	3 Month	6 Month	1 Year	Since Inception ³	Annualized-SI ³
Fund (USD)	-0.52%	-0.15%	-5.73%	+21.20%	+74.35%	+5.24%
Fund (AUD)	-3.97%	-1.74%	-2.26%	+15.09%	+112.45%	+7.17%
Fund (EUR)	-0.36%	+2.46%	-1.24%	+23.29%	+102.04%	+6.67%
Fund (HKD)	-0.57%	+0.29%	-4.98%	+22.81%	+77.89%	+5.43%
Fund (SGD)	-1.11%	-0.17%	-3.55%	+21.24%	+83.44%	+5.73%

▲ Yearly Return¹

	2016	2017	2018	2019	2020	2021YTD
Fund (USD)	-11.45%	+43.61%	-25.59%	+16.79%	+27.63%	+5.28%
Fund (AUD)	-11.46%	+43.55%	-17.15%	+16.90%	+16.27%	+9.36%
Fund (EUR)	-11.45%	+43.72%	-21.77%	+18.97%	+17.46%	+12.25%
Fund (HKD)	-11.50%	+43.65%	-25.37%	+16.22%	+27.23%	+6.56%
Fund (SGD)	-11.45%	+43.64%	-23.85%	+14.97%	+25.75%	+8.66%

¹Past 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. Since 28 July 2017, the Manager of the Fund changed from Citigroup First Investment Management Limited to China Asset Management (Hong Kong) Limited and the Trustee of the Fund changed from Cititrust (Cayman) Limited to Cititrust Limited. The performance of the Fund prior to 28 July 2017 was achieved under circumstances that no longer apply.

²Please refer to the Explanatory Memorandum for full product disclosure including fees.

³Calculated since the inception date of respective share class.

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

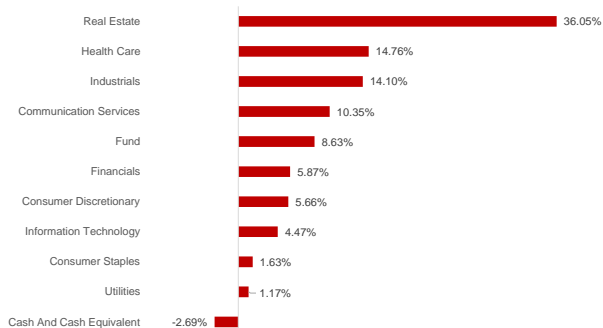
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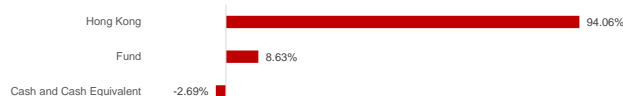


▲ Portfolio Allocation

Sector Exposure (%)



Geographical Exposure (%)



▲ Manager's Comment

In October, the Hong Kong market first rose and then fell. The Hang Seng Index rose 3.27%, the State-owned Enterprise Index rose 2.7%, and the Hang Seng Technology Index rose 5.15%. The fund underperformed the index by about 4% this month. We have adjusted portfolio positions to decrease weightings of medicines, consumption while increase the proportion of Internet and real estate. We remain overweighting high-end real estate, high-end manufacturing and medicine sectors.

The underperformance of the fund this monthly was mainly attributed by relative overweighting real estate and pharmaceuticals as well as relative underweighting Internet. MSCI pharmaceuticals fell 7.3% and the real estate index fell 3.3% this month, underperforming the HSI by 10% and 6.5% respectively. Not much adjustments have been made to the overall position this month. In the first three weeks of this month, real estate outperformed the overall market but then became drastic after China rolling out the trial of property tax on homes to more areas, and the associated real estate sector experienced substantial adjustments. Both sectors adjusted 14% in a single week, causing serious underperformance of nearly 6% of the portfolio in a single week. We believe that the market is acting extreme and the policy of rolling out property tax trail is the last uncertainty of the entire real estate sector. We have seen signs of marginal improvement in real estate policies this month in terms of accelerating mortgage delivery and lowering the first home mortgage interest rate. The current valuation is still at the bottom of the decade and this is the core reason for our re-allocation of the real estate sector. The current stock price of pharmaceuticals was suppressed by medical insurance negotiations hold in November, and we believe it is still relatively under pressure in the short term but valuation is expected to return once the medical negotiations are completed. Looking forward to November, we are optimism of the market that remain overweighting some value names and Internet while underweighting growth sectors. The holding of the 6th Plenary Session of the 19th Central Committee in the second week is one the spot that the overall market confidence is expected to be underpinned and maintained.

We will remain to adopt a flexible strategy to seek alpha in the wide fluctuations of the market and hope to outperform the index

Date source: Bloomberg. As of 29 Oct 2021

▲ Top 5 Holdings

Security Name	Sector	Weight
Zhengzhou Coal Mining Machinery Group Co Ltd	Industrials	10.02%
Sunac China Holdings Ltd	Real Estate	9.26%
Sunac Services Holdings Ltd	Real Estate	8.88%
Tencent Holdings Ltd	Communication Services	5.49%
China Jinmao Holdings Group Ltd	Real Estate	4.98%

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Important Note

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.