

# ChinaAMC Select RMB Bond Fund

## Fund Factsheet



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

As of 30 Nov 2020

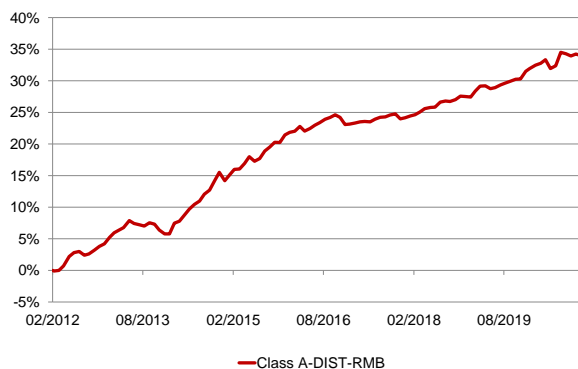
37/F, Bank of China Tower, 1 Garden Road, Hong Kong

- 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 RMB Bond Fund (the "Fund"), through the Renminbi Qualified Foreign Institutional Investors ("RQFII") quota obtained by the Manager, invests primarily in RMB denominated fixed income securities issued or distributed in the People's Republic of China ("PRC"), and may invest a small portion of its assets in PRC A shares.
- The Fund is subject to restrictions and requirements applicable to RQFII investment. The regulations which regulate investments by RQFIIs in the PRC which have just been announced and novel in nature. Any uncertainty and change to the relevant laws and regulations (such as PRC tax laws and repatriation policy) in the PRC may adversely impact the Fund.
- Investment in single country (the PRC) markets involves concentration and other risks not typically associated with investment in more developed economies or markets.
- Investment in RMB debt instruments in the PRC involves liquidity risk, credit risk, credit rating risk and downgrade risk. There may not be a liquid or active market for such RMB debt instruments; the Fund may also be exposed to credit/insolvency risk of issuers of the debt securities. As the credit ratings of the debt instruments of the Fund are largely assigned by the credit agencies in the PRC, the methodologies adopted by such local rating agencies may not be consistent with the international rating agencies. In the event of downgrading in the credit ratings of debt instrument or its issuer, the Fund's investment value in such security may be adversely affected.
- Investment in the Fund is subject to interest rate risk. Change of macro-economic policies in the PRC such as monetary and fiscal policy may cause changes to market interest rates, affecting the pricing of bonds and thus the return of the Fund.
- The Fund is denominated and settled in RMB; subscription and redemption must be made in RMB. RMB is not freely convertible and is subject to exchange control and restriction. There is no guarantee that RMB will not depreciate. HKD investors may suffer a loss if RMB depreciate against HKD or such other currencies.

## Investment Objective

The Fund seeks to achieve capital appreciation and income generation by primarily investing in RMB denominated fixed income securities issued and distributed within the People's Republic of China ("PRC") through the RMB Qualified Foreign Institutional Investors ("RQFII") quota obtained by the fund manager.

## Fund Performance<sup>1</sup>



## Fund Information<sup>2</sup>

Legal Structure	Hong Kong domiciled umbrella structure unit trust
Manager	China Asset Management (Hong Kong) Limited
Fund Size	RMB 125 million
Base Currency	RMB
Dealing Frequency	Daily
Custodian	Bank of China (Hong Kong) Limited
Trustee	BOCI-Prudential Trustee Limited

### Cumulative Return<sup>1</sup>

	1-Month	6-Month	1-Year	3-Year	Since <sup>3</sup> Inception
Class A-DIST-RMB	-0.17%	+1.56%	+2.85%	+8.09%	+33.99%
Class A-DIST-USD	+1.70%	+10.79%	+10.08%	+9.29%	+15.62%

### Yearly Return<sup>1</sup>

	2016	2017	2018	2019	2020 YTD
Class A-DIST-RMB	+1.36%	+0.87%	+2.70%	+3.13%	+1.91%
Class A-DIST-USD	-4.21%	+8.00%	-2.51%	+1.95%	+8.14%

### Latest Fund Distribution - Annualized Dividend Yield: 3.61%<sup>4</sup>

Record Date	Distribution (RMB)
Nov 26, 2020	0.03
Oct 28, 2020	0.03
Sep 28, 2020	0.03

	Class A-DIST-RMB	Class A-DIST-USD
Inception Date	21-Feb-2012	14-Jul-2014
NAV per unit	RMB 10.13	USD 9.20
Bloomberg Ticker	CAMSRMB HK	CAMSBAD HK
ISIN Code	HK0000098829	HK0000165487
Initial Charge <sup>2</sup>	Up to 5%	Up to 5%
Management Fee <sup>2</sup>	1.25% p.a.	1.25% p.a.
Min. investment <sup>2</sup>	RMB 10,000	USD 1,000

<sup>1</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. The investment returns are denominated in RMB. US/HK dollar-based investors are therefore exposed to fluctuations in the US/HK dollar/RMB exchange rate. With effect from 9 February 2018, the investment strategy of the Fund was changed. Performance information prior to 9 February 2018 was achieved under circumstances that no longer apply. The investment objective of the Fund has also been changed on 11 April 2014.

<sup>2</sup> Please refer to the Fund's Explanatory Memorandum for further details (including fees).

<sup>3</sup> Calculated since the relevant inception date of the respective share class.

<sup>4</sup> Annualized Dividend Yield =  $\left[ \left( 1 + \frac{\text{distribution per unit} / \text{ex-dividend NAV}^{12}}{1} \right)^{12} - 1 \right]$ . The annualized dividend yield is calculated based on the latest dividend distribution with dividend reinvested, and may be higher or lower than the actual annual dividend yield. Positive distribution yield does not imply positive return. Dividend is not guaranteed.

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

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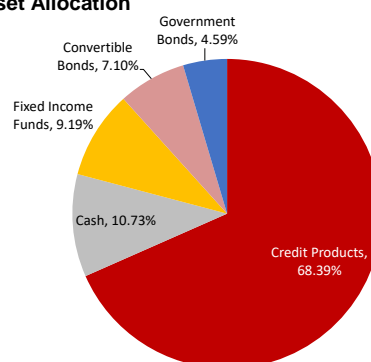
## ▲ Manager's Comment

Economic recovery continues in Nov as statistic data shows. Purchasing Managers Index, export and credit expansion all exceed market expectation. The possible dark cloud in remote sky is the slowdown of Aggregate Social Financing, the total amount of money that is supplied to businesses in various ways. There are signals indicating that business demand for funds are less strong than in previous months. A peak of demand for funds is a precursor to peak of economic boom historically. If history is any indication, current recovery will likely run through its course after the Spring Festival in 2021.

Bond market got jittery on the news of Yongmei Group's failure to repay a matured bond. Yongmei Group, a local SOE in Henan province, was not the type of issuers who were expected to default<sup>1</sup>. It was a major coal mining SOE in Henan province and it had been in talks with local authorities about its finance status<sup>1</sup>. It even issued a new bond just in Oct<sup>1</sup>. This event sent a chill down the spine of many bond investors who scrambled to grasp the new reality. The irregularities in asset transactions in preceding months between Yongmei Group and its parent company also deepened the confusion<sup>1</sup>. These irregularities raised the question – whether Yongmei's default is a planned one or an accidental glitch? In the wake of the default, SOE bonds were sold off. All companies in Henan province were effectively cut off from bond market, so were most coal miners in China<sup>1</sup>. The situation might balloon into a credit crisis when these targeted issuers need to refinance their maturing bonds. Only when center government stepped in did the sentiment cool down. A liability restructure is agreed on the defaulted Yongmei bond. However, the credit damage to Henan province is done and the

## ▲ Portfolio Allocation

### Asset Allocation



Average Local Credit Rating for Credit Products<sup>7</sup>

AA<sup>8</sup>

Average Duration

2.72 years

<sup>7</sup> Credit Products include Medium Term Notes, Convertible Bonds, Corporate Bonds, Enterprise Bonds.

<sup>8</sup> Source: Wind. Rating agencies include Degong, China Lianhe, Pengyuan, CCXI, CCXR, Shanghai Brilliance, China LianHe.

## ▲ Top 5 Holdings

Name		
YANKUANG GROUP CO LTD 5.86% A PERP		8.19%
AVIC INTL LEASING CO LTD 6.4% A PERP		8.14%
XINJIANG ZHONGTAI CHEMICAL CO LTD 5.95% A 06JUN2021		8.08%
DATONG COAL MINE GROUP CO LTD 5.78% A 18APR2021		8.07%
GUANGZHOU R&F PROPERTIES CO LTD 6.58% A 04DEC2022		7.18%

Customer Hotline: (852) 3406 8686

Website: [www.chinaamc.com.hk](http://www.chinaamc.com.hk)

Email: [hkfund\\_services@chinaamc.com](mailto:hkfund_services@chinaamc.com)

### 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.