

# Mainland-HK Mutual Recognition of Funds Series – CIFM China Sector Rotation Fund (Class H)

September 2020

- The Fund will explore in listed companies which demonstrates core competitive advantage in the dominant industries during cyclical economic fluctuations.
- The Fund is therefore exposed to investment, concentration, Mainland market, RMB currency and conversion risks. The Fund has exposure to the Mainland China equity and will be subject to market, volatility, policy, small/mid-capitalisation companies, and high valuation and liquidity risks. The Fund will also be subject to the SME board and/or ChiNext market risk, Mainland debt securities risk and the risks relating to repurchase/reverse repurchase transactions.
- The Fund is a Mainland fund authorized for public offering in Hong Kong pursuant to the Mainland-Hong Kong Mutual Recognition of Funds (MRF) scheme and risks associated with the MRF arrangement include (1) Quota restrictions; (2) Failure to meet eligibility requirements under MRF; (3) Mainland tax risk; and (4) Different market practices between Mainland and Hong Kong.
- The Fund may at its discretion make distributions out of accrued net distributable income carried over from the previous financial year(s) amounts to distributions out of capital under Hong Kong regulatory disclosure requirements. Investors should note that the payment of distributions out of capital represents a return or a withdrawal of part of the amount they originally invested or capital gain attributable to that amount. Any distributions involving payment of dividends out of capital of the share class will result in an immediate decrease in the NAV per unit of the relevant units.
- Investors should not only base on this marketing material alone to make investment decisions.

## INVESTMENT OBJECTIVE

The Fund aims to, through capturing the pattern of correlations between assets rotation, industrial strategy and economic cycles, achieve long-term steady excess return of fund assets in an environment of changing prosperity by exploring opportunities in listed companies which demonstrates core competitive advantage in the dominant industries during cyclical economic fluctuations.

## PORTFOLIO INFORMATION

Fund manager **Sun Fang, China**

Launch date **21 January 2016**

Net Asset Value of the Fund (m)  
(as at 30 June 2020) **CNY 865**

Denominated currency and NAV per unit **CNY 3.208**

Current charge: Subscription **Up to 5% of NAV**  
Redemption **0.13% NAV**  
(Up to 0.5%)  
Management fee **1.5% p.a.**

Last distribution (xd date) **CNY 0.357 per unit /  
19 September 2017**

Distribution frequency<sup>9)</sup> **Not more than 4 times  
in a calendar year**

ISIN code **CNE100002474**

Bloomberg code **CIWHEEH CH**

## STATISTICAL ANALYSIS

	3 years	5 years	Since launch <sup>9)</sup>
Alpha %	12.31	-	10.54
Beta	1.31	-	1.35
Annualised volatility %	26.97	-	25.87
Sharpe ratio	1.25	-	1.54
Average annual return %	18.62	-	18.04

For more information, please contact  
your bank, financial adviser or visit  
[am.jpmorgan.com/hk](http://am.jpmorgan.com/hk)

Fund Manager:

**China International**  
Fund Management

## PERFORMANCE FROM 26.01.16 TO 31.08.20 (in denominated currency)



## CUMULATIVE PERFORMANCE % (in denominated currency)

	1 year	3 years	5 years	Since launch <sup>9)</sup>
Class H	<b>+81.04</b>	<b>+67.01</b>	-	<b>+114.57</b>
Benchmark <sup>4)</sup>	+22.28	+23.54	-	+46.67

## CALENDAR YEAR PERFORMANCE % (in denominated currency)

	2015	2016 <sup>3)</sup>	2017	2018	2019	YTD
Class H	-	<b>-4.64</b>	<b>+31.03</b>	<b>-32.44</b>	<b>+56.89</b>	<b>+62.02</b>
Benchmark <sup>4)</sup>	-	+5.22	+17.55	-19.12	+29.73	+14.66

## PORTFOLIO ANALYSIS OF THE FUND (as at 30 June 2020)

Asset (Percentage of total asset)	Equity Sector <sup>4)</sup> (Percentage of NAV)	Bond Type (Percentage of NAV)
Stocks 90.31%	Manufacturing 77.32%	Not applicable
Bank Deposits and Cash 7.53%	Information Technology 8.35%	
Reserve	Scientific Research and Technical Services 2.46%	
Others 2.15%	Wholesale and Retail 1.77%	
	Culture, Sports and Entertainment 1.44%	
	Environment and Public Utilities 0.72%	
	Mining 0.21%	

## TOP FIVE HOLDINGS OF THE FUND (Percentage of NAV) (as at 30 June 2020)

Holding	Sector <sup>4)</sup>	%
<b>Changchun High &amp; New Technology Industries Inc.</b>	Manufacturing	8.66
<b>EVE Energy Co., Ltd.</b>	Manufacturing	5.86
<b>Luxshare Precision Industry Co., Ltd.</b>	Manufacturing	5.48
<b>Shaanxi Construction Machinery Co., Ltd</b>	Manufacturing	4.68
<b>Contemporary Amperex Technology Co., Ltd</b>	Manufacturing	4.52

Unless stated otherwise, all information as at 31 August 2020. Source: CIFM (Performance is calculated on NAV to NAV basis with dividend reinvested). The classification of the Fund is based on the distribution location, different share classes will have different fee structures and performance may not be the same. 1) The benchmark of the Fund is CSI 300 Index Yield × 80% + SSE Treasury Bond Index Yield × 20% (Dividends reinvested after deduction of withholding tax). The Fund is not managed with reference to the index. The index is provided for performance comparison only. 2) Performance data are calculated from the first trading day after inception. 3) Since the first trading day after inception to end of year for fund classes inception in that year. 4) The classification under the equity sector adopted the industry sector of CSRC with certain simplification. Asset allocation only reflects the past portfolio of the Fund, which is subjected to change in the future under different market conditions. 5) Dividend distribution will not change the risk characteristic of the Fund, lower the investment risk nor increase investment yield. Please refer to the "Prospectus" for more details on dividend distribution. There is no guarantee on dividend distribution. Return will be calculated based on the base currency. The fund denominated in RMB, investors using the USD/HK dollar as their base currency may be vulnerable to fluctuations in exchange rates. Different classes of the Fund have different identifiers, and the NAV of each share class will be published separately.

The information above is for reference only. Investment involves risk. Past performance is not indicative of future performance. Please refer to the offering document(s) for details, including the risk factors and also disclaimer at the back of the report.

Main Distributor in Hong Kong:

**J.P.Morgan**  
Asset Management

# Mainland-HK Mutual Recognition of Funds Series – CIFM China Sector Rotation Fund (Class H)

September 2020

## DISCLAIMER

Investment involves risk. The fund manager undertakes to manage and utilize the fund assets in good faith and with due diligence, however, there is no guarantee that the fund will make a profit nor is there guaranteed minimum return. Past performance and net asset value of the fund are no indication of future performance. The value of investments and the income from them may fluctuate and your investment is not guaranteed. Investors may not get back the full amount invested. Exchange rates may cause the value of underlying overseas investments to go down or up. Investments in emerging markets may be more volatile than other markets and funds which are invested in emerging markets are usually more sensitive to price movements and the risk to your capital is therefore greater. Also, the economic and political situations may be more volatile than in established economies and these may adversely influence the value of investments made. Please refer to the offering documents for details including the risk factors, before making investment decisions. Investors should ensure that they fully understand the characteristics and potential risks and rewards of the product and independently determine whether the investment product is suitable for them having regard to their own investment objectives, experience, financial and operational resources and relevant circumstances before making any decision to invest in the investment product. Please seek professional advice where needed.

The fund(s) referred to in this document is/are offered in Hong Kong under the Mutual Recognition of Funds between the Mainland and Hong Kong. Each fund is established in accordance with PRC laws and its investment operation and information disclosure are subject to applicable PRC laws and relevant regulations issued by the China Securities Regulatory Commission. China International Fund Management Co., Ltd. is a joint venture between Shanghai Trust and J.P. Morgan Asset Management and is a fund management company licensed by the China Securities Regulatory Commission. China International Fund Management Co., Ltd. is the fund manager of the fund(s) referred to in this document and is responsible for the investment operation of such fund(s). J.P. Morgan Asset Management is the asset management division of JPMorgan Chase & Co. JF Asset Management Limited is the Asian investment arm of J.P. Morgan Asset Management. This document is issued by JPMorgan Funds (Asia) Limited as the main distributor of such fund(s) in Hong Kong and has not been reviewed by the Hong Kong Securities and Futures Commission or the China Securities Regulatory Commission.

The contents of this document (including any forecasts or opinions expressed) are owned by China International Fund Management Co. Ltd at the date of this document and may be subject to change. The information contained in this document and the opinions expressed have not been prepared in view of personal circumstances. JPMorgan Funds (Asia) Limited neither endorses nor is responsible for the accuracy or reliability of, and under no circumstances will JPMorgan Funds (Asia) Limited be liable for any loss or damage caused by reliance on, any opinion, advice or statement made in this document.

The information contained in this document does not constitute investment advice, or an offer to sell, or a solicitation of an offer to buy any security, investment product or service. Informational sources are considered reliable but you should conduct your own verification of information contained herein.

Fund Manager:

**China International**  
Fund Management

Main Distributor in Hong Kong:

**J.P.Morgan**  
Asset Management