

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

December 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 September 2020) **CNY 891**

Denominated currency and NAV per unit **CNY 3.5437**

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 frequency⁹⁾ **Not more than 4 times
in a calendar year**

ISIN code **CNE100002474**

Bloomberg code **CIWHEEH CH**

STATISTICAL ANALYSIS

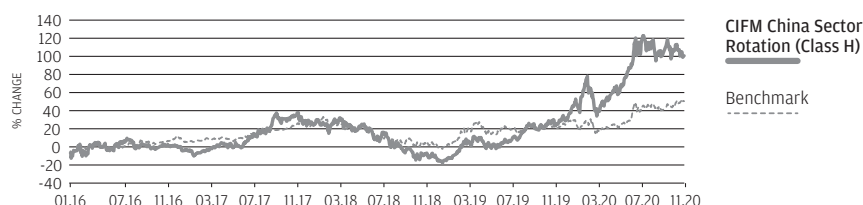
	3 years	5 years	Since launch ⁹⁾
Alpha %	10.76	-	8.20
Beta	1.32	-	1.36
Annualised volatility %	27.25	-	25.90
Sharpe ratio	1.11	-	1.39
Average annual return %	16.31	-	15.43

For more information, please contact
your bank, financial adviser or visit
am.jpmorgan.com/hk

Fund Manager:

China International
Fund Management

PERFORMANCE FROM 26.01.16 TO 30.11.20 (in denominated currency)



CUMULATIVE PERFORMANCE % (in denominated currency)

	1 year	3 years	5 years	Since launch ⁹⁾
Class H	+61.03	+57.40	-	+100.66
Benchmark ⁴⁾	+24.40	+21.83	-	+50.41

CALENDAR YEAR PERFORMANCE % (in denominated currency)

	2015	2016 ³⁾	2017	2018	2019	YTD
Class H	-	-4.64	+31.03	-32.44	+56.89	+51.52
Benchmark ⁴⁾	-	+5.22	+17.55	-19.12	+29.73	+17.53

PORTFOLIO ANALYSIS OF THE FUND (as at 30 September 2020)

Asset (Percentage of total asset)	Equity Sector ⁴⁾ (Percentage of NAV)	Bond Type (Percentage of NAV)
Stocks 91.05%	Manufacturing 82.45%	Convertible Bonds 0.14%
Bank Deposits and Cash 8.53%	Information Technology 3.02%	
Reserve	Scientific Research and Technical Services 2.14%	
Others 0.28%	Wholesale and Retail 2.11%	
Bonds 0.14%	Leasing and business service 0.93%	
	Culture, Sports and Entertainment 0.85%	

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

Holding	Sector ⁴⁾	%
Changchun High-tech Industry (Group) Co., Ltd.	Manufacturing	5.91
EVE Energy Co., Ltd.	Manufacturing	5.77
Luxshare Precision Industry Co., Ltd.	Manufacturing	5.52
Shaanxi Construction Machinery Co., Ltd	Manufacturing	5.25
Longi Green Energy Technology Co., Ltd.	Manufacturing	5.08

Unless stated otherwise, all information as at 30 November 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

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