

Fullerton Lux Funds - China A Equities - Class A (USD)

November 2024

Investment Objective

The investment objective of the Fund is to generate competitive risk adjusted return on a relative basis.

Investment Focus and Approach

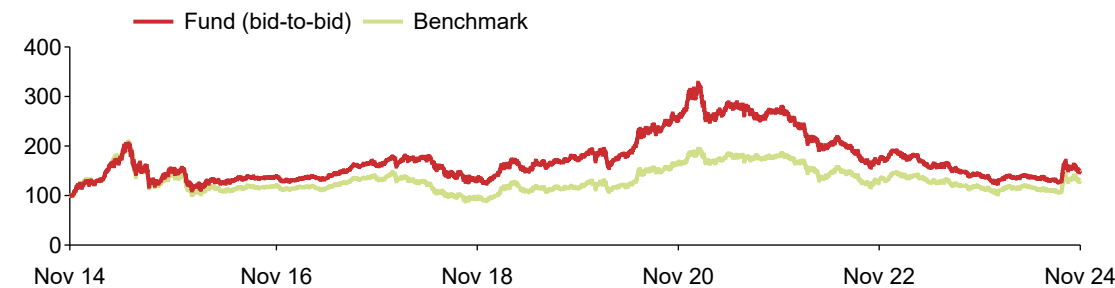
The Investment Manager seeks to achieve the objective of the Fund by investing primarily in China "A" shares listed on PRC Stock Exchanges through the Investment Manager's RQFII quota. The investment universe will include, but not limited to, exchange traded funds, listed warrants, index futures, securities investment funds, listed onshore bonds, money market funds, cash and other financial instruments qualifying as RQFII Eligible Securities.

SFDR Classification:

Article 8 fund.

In line with its ESG methodology, the fund promotes environmental characteristics but does not commit to make environmentally sustainable investments as defined in the taxonomy regulation.

Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	5 yrs	10 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	-2.09	13.84	10.68	4.89	-17.69	-2.53	3.28	4.15	24.68
Fund (offer-to-bid)	-6.76	8.42	5.41	-0.11	-19.03	-3.48	2.78	3.65	NA
Benchmark	-1.42	17.96	12.19	11.22	-9.97	2.71	1.95	2.70	24.89

Returns of more than 1 year are annualised. Returns are calculated on a single pricing basis in USD with net dividends and distributions (if any) reinvested. Offer-to-bid returns include an assumed preliminary charge of 5% which may or may not be charged to investors. Past performance is not indicative of future returns.

Benchmark: MSCI China A Onshore Net (USD)

Source: Fullerton Fund Management Company Ltd, MSCI Inc. and Bloomberg.

Market Review

During November, global equity markets rebounded with the MSCI All Country World Index climbing 3.8% and delivered a return of 20.9% year-to-date in dollars. Most Asian markets declined during the month due to the headwinds from the Trump presidency, increased tariff threats and a strengthening U.S. dollar.

MSCI China declined by 4.4% in November in dollars, following an underwhelming NPC which unveiled a RMB10trn local government debt swap package but no consumption stimulus. Additionally, Trump's victory and the Republican sweep heightened concerns about tariff hikes on China's exports to the US and the impact on regional supply chain activity. On a sector level, Information Technology and Health Care eked out positive returns. On the other hand, the worst performers included Real Estate, Consumer Discretionary and Energy.

Economic data released over the month was mixed. The economy expanded 4.6% year-on-year in Q3 of 2024. The Caixin China Manufacturing PMI rose further to 51.5 points from 50.3 points in October. The Caixin Services PMI contracted to 51.5 and the construction PMI dropped unexpectedly into contractionary territory at 49.7, signaling some downside risk to construction activity in November. The CPI increased by 0.2% year-on-year, compared to a 0.3% rise in the previous month. As for October data, Retail sales rose 4.8% year-on-year benefiting from the trade-in subsidy and Golden Week Holiday. Exports came in stronger than expected on a 12.7% year-on-year and trade surplus widened to \$95.7 billion.

Inception date

10 Nov 2014

Fund size

USD 30.92 million

Base Currency

USD

Pricing Date

30 Nov 2024

NAV*

USD 15.06

Management fee**

Up to 1.75% p.a.

Management company^ fee**

Up to 0.04% p.a. subject to a minimum monthly fee of EUR 750.00 per Fund per month applied at the Company level

Expense Ratio**

2.26% p.a. (For financial year ended 31 Mar 2024)

Preliminary Charge**

Up to 5% of subscription amount (equivalent to a max. of 5.26315% of the Net Asset Value per share)

Dealing day

Daily

Deadline

1pm (CET); 5pm (Singapore time) on each Business Day

Bloomberg Code

FCAAUAC LX

ISIN Code

LU1064131003

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Investment Strategy

We expect following policies package would include expanded fiscal stimulus such as higher deficit of 4%, injection into SOE banks for tier 1 capital as well as special government bond issuance to support consumption. The US election would lead to export pressure, but we guess the magnitude would be milder comparing with 2018-2019 cycle given the export to the US declined from 20% to 15%. A share market is strongly correlated to continue policy efforts. So the correct expectation on policy efforts is quite key. Sector rotation would be the theme for quite some time. We would focus on the efficiency improvements of domestic SOE companies as well as domestic innovative companies which would demonstrate strong global competitiveness amid tariff pressure.

In the near-term, the Central Economic Work Conference held on December 11-12th is a key market focus. The conference is expected to announce quantitative policy guidance for strengthened counter-cyclical, growth supportive macro policy through numerical targets such as annual GDP growth target and fiscal budget.

* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

**The list of cost is not exhaustive and the fund may incur other expenses. Please refer to the Prospectus/KIID for more information.

^Management Company of the Fund is Lemanik Asset Management S.A.

Sector Breakdown

Communication Services	2.3%
Consumer Discretionary	8.2%
Consumer Staples	10.1%
Energy	2.5%
Financials	20.2%
Health Care	6.6%
Industrial	15.2%
Information Technology	17.9%
Materials	8.6%
Real Estate	1.2%
Utilities	3.0%
Cash and cash equivalents	4.2%

Top 5 Holdings

Contemporary Amperex	4.5%
Kweichow Moutai	3.9%
China Merchants Bank	3.2%
Midea Group Co Ltd-A	2.6%
CITIC Securities Co Ltd	2.5%

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For EU investors:

This is a marketing communication. The investment which is promoted concerns the acquisition of shares in a fund. The Fund is actively managed with reference to the benchmark, "MSCI China A Onshore Net (USD)", for performance comparison purpose. You should read the prospectus and the key investor information before making any final investment decision. A summary of investor rights can be found in English at <https://www.lemanikgroup.com/governance-asset-management/>. A copy of the prospectus and the key investor information is available in English and other languages (as applicable), and can be obtained from the registered office of the Fund or at www.fullertonfund.com. Please also refer to https://www.fullertonfund.com/literature/fullerton-lux-funds/?_sft_registered=luxembourg for the sustainability-related disclosures of the Fund. The Management Company of the Fund is Lemanik Asset Management S.A. ("Lemanik"). Please note that Lemanik may terminate the marketing arrangements of the Fund in accordance with Article 93a of Directive 2009/65/EC.

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