

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

April 2025

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.

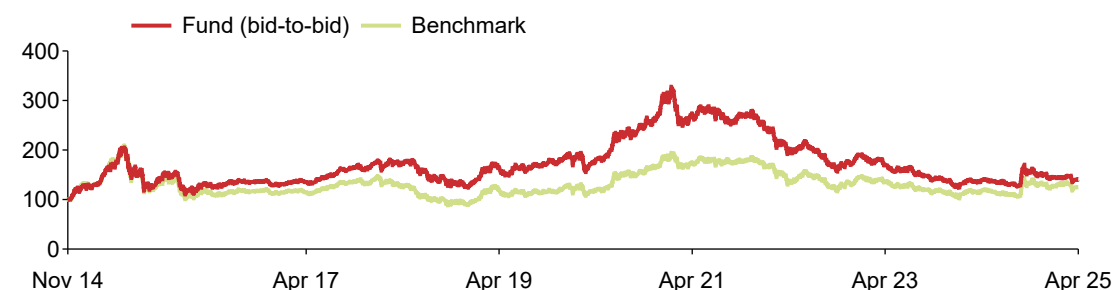
The investment universe will include, but not limited to, exchange traded funds, listed warrants, index futures, securities investment funds, listed onshore bonds, money market funds, cash and other financial instruments qualifying as RQFII Eligible Securities.

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)	-4.72	-3.34	-8.64	1.04	-11.54	-4.93	-1.99	3.30	24.28
Fund (offer-to-bid)	-9.26	-7.95	-12.99	-3.78	-12.97	-5.85	-2.47	2.82	NA
Benchmark	-4.00	-1.20	-5.57	6.43	-3.24	0.87	-3.53	2.18	24.45

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

Global stock markets showed mixed performance in April, with increased volatility. Both Hong Kong and A-shares experienced significant volatility, demonstrating a V-shaped trend, while the MSCI China Index recorded a decline of 4.6% in dollars. The S&P 500 in the US fell by 0.8%, while the Nasdaq rose by 0.8% dollars.

In terms of sectors, the majority recorded negative returns in April, with consumer discretionary, energy, materials, telecommunications, and information technology leading the declines. Conversely, strong domestic demand sectors such as real estate, consumer staples, and utilities posted positive returns.

On the domestic policy front, the Central Committee of the Communist Party held a Politburo meeting on April 25, significantly increasing its focus on external environmental conditions. The meeting reiterated the commitment to an active fiscal policy and moderately loose monetary policy. The fiscal policy aims to accelerate the issuance and utilization of local government special bonds and ultra-long-term special national bonds, while monetary policy is expected to lower reserve requirements and interest rates in a timely manner, with implementation anticipated in the second quarter. Regarding consumption, the meeting proposed raising income levels for low- and middle-income groups and prioritizing high-quality service consumption to stimulate spending.

On the international front, the US government announced on April 2 a 10% baseline tariff on imported goods from all countries, along with differentiated "reciprocal tariffs" for countries with trade deficits, including China and the EU. Over the following week, additional tariffs on China were announced, leading to global market fluctuations. After April 11, the US decided to suspend reciprocal tariffs on countries other than China and signaled a potential easing of tensions with China, entering a stalemate in the US-China tariff negotiations.

Inception date

10 Nov 2014

Fund size

USD 28.82 million

Base Currency

USD

Pricing Date

30 Apr 2025

NAV*

USD 14.06

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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Market Review (Cont'd)

In March, China's macroeconomic data performed well, exceeding market expectations, indicating a "small spring" for the real economy. The March CPI turned negative at -0.1% year-on-year, while the PPI fell by 2.5%, with both indices showing a greater decline compared to February. On the production side, the manufacturing PMI reached 50.5 in March, surpassing the threshold, but fell to 49 in April. Industrial output grew by 7.7% year-on-year, with cement and electricity output increasing by 2.5% and 1.8%, respectively, indicating some recovery in industrial production.

On the investment side, fixed asset investment rose by 4.2% year-on-year, with infrastructure investment increasing by 5.8%. However, real estate investment saw a year-on-year decline of 10%. Excluding real estate, investment growth also showed signs of recovery. The real estate market remains weak, with the average residential price in 70 cities declining by 4.99% year-on-year, although the rate of decline has slightly narrowed. New home sales fell by 2.1% year-on-year, with the decline further narrowing.

Investment Strategy

In terms of investment strategy, we continue to pick stocks from a bottom-up approach based on company value, emphasizing its cash flow generation capability. Therefore, we maintained our core allocation to value-style stocks throughout the month without making any position adjustments. Our portfolio strategy is not influenced by short-term market sentiment fluctuations. Instead, we focus on investing in high-quality companies with strong competitive moats and sufficient margins of safety, avoiding frequent trading or chasing market highs impulsively.

* 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	8.9%
Consumer Discretionary	27.2%
Consumer Staples	7.2%
Energy	5.1%
Health Care	5.2%
Industrial	22.9%
Information Technology	6.0%
Materials	5.4%
Cash and cash equivalents	12.1%

Top 5 Holdings

Midea Group Co Ltd-A	9.8%
Shandong Himile Mech	8.0%
China Mobile Ltd	5.2%
CNOOC Ltd	5.1%
Fuyao Glass Industry	4.8%

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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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