

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

**March 2025**

### Investment Objective

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

### Investment Focus and Approach

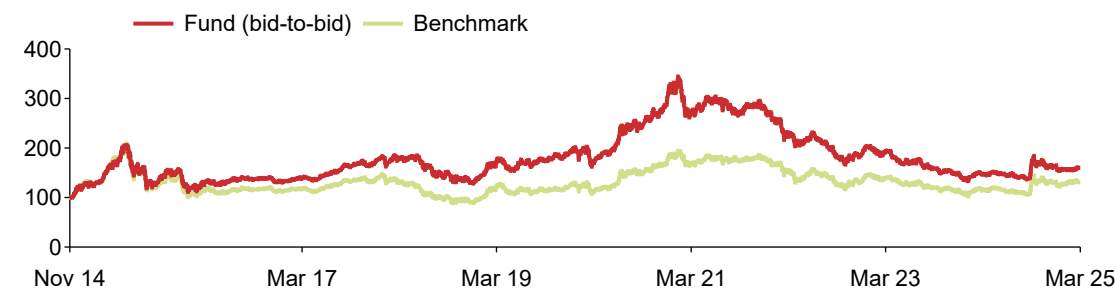
The Investment Manager seeks to achieve the objective of the Fund by investing primarily in China "A" shares listed on PRC Stock Exchanges through the Investment Manager's RQFII quota. The investment universe will include, but not limited to, exchange traded funds, listed warrants, index futures, securities 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.
<b>Fund (bid-to-bid)</b>	2.88	-1.47	-7.71	9.21	-11.17	-1.24	0.41	4.63	24.34
<b>Fund (offer-to-bid)</b>	-2.01	-6.16	-12.11	4.01	-12.61	-2.20	-0.08	4.14	NA
<b>Benchmark</b>	0.91	0.72	-4.36	13.17	-5.38	3.12	-1.60	2.60	24.51

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 March, with emerging markets outperforming developed markets. The MSCI All Country World Index fell by 4.4% in dollars, with significant declines in U.S. stocks. Hong Kong and A-shares experienced volatility, while the MSCI China Index recorded a gain of 2.0% in dollars.

In terms of sectors, most categories delivered positive returns in March. Value stocks, which mostly are from traditional industry, are performing particularly well. Notable gains were seen in materials, pharmaceuticals, energy, and telecommunications services, while information technology and real estate sectors experienced significant declines.

On the domestic policy front, the government work report from the Two Sessions emphasized a policy orientation for 2025 focused on "seeking progress while maintaining stability." It stressed the implementation of more proactive macroeconomic policies, including moderately easing monetary policy, reserve requirement ratio cut and interest rate cut when appropriate to ensure ample liquidity. Regarding consumption policies, the "Special Action Plan to Boost Consumption" was implemented, introducing two new consumer loan interest subsidy policies, urging financial institutions to promote consumer finance, and expanding the categories for "replacement" subsidies.

On the international front, the U.S. Federal Reserve's March meeting leaned dovish, with a slowdown in balance sheet reduction starting in April, and a downward revision of growth forecasts alongside an upward adjustment of inflation forecasts, maintaining guidance for two interest rate cuts in 2025. Regarding tariffs, the U.S. imposed tariffs on energy and vehicles from certain countries and will implement reciprocal tariffs starting April 2, necessitating attention to policy implementation.

China's data for January and February showed promising signs, led by consumption recovery and

### Inception date

10 Nov 2014

### Fund size

USD 30.24 million

### Base Currency

USD

### Pricing Date

31 Mar 2025

### NAV\*

USD 16.01

### Management fee\*\*

Up to 1.00% 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\*\*

1.43% 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

FCAIUAC LX

### ISIN Code

LU1064130708

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UEN: 200312672W

## Market Review (Cont'd)

stabilization in real estate. In February, the CPI decreased by 0.7% year-on-year, and the PPI fell by 2.2%, partly due to the early Spring Festival. On the production side, industrial output further accelerated and grew by 5.9% year-on-year. The manufacturing PMI for March was at 50.5, remaining above the threshold.

On the investment front, urban fixed asset investment increased by 4.1% year-on-year, showing further recovery, while real estate investment fell by 9.1%, with the decline narrowing. In terms of trade, exports fell by 3% year-on-year in February, while imports grew by 1.5%, with the export figures affected by seasonal factors from the Spring Festival. New home sales declined by 2.6% year-on-year, with the drop significantly narrowing, and the average price of new homes fell by 5.22%, also showing a reduced decline.

Overall, China's economy shows signs of moderate recovery under a comprehensive policy framework focused on debt reduction and stabilizing real estate. Key focus to monitor going forward will be the recovery of exports and the real estate sector.

## Investment Strategy

In terms of investment strategy, we maintain a stock selection approach based on company value, emphasizing cash flow generation capabilities. We are establishing new positions in high-quality companies with stable operations and promising growth prospects, while liquidating positions in companies facing pressure in their core businesses. Overall, we have increased our equity exposures. Looking ahead, we will continue to prioritize a value style in our investment strategy, selectively choosing high-quality companies with strong moats and ample safety margins, striving for better long-term investment returns.

\* 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	9.3%
Consumer Discretionary	25.0%
Consumer Staples	6.9%
Energy	6.3%
Health Care	4.3%
Industrial	20.4%
Information Technology	8.4%
Materials	5.5%
Cash and cash equivalents	13.9%

**Top 5 Holdings**

Midea Group Co Ltd-A	9.7%
Shandong Himile Mech	7.9%
China Mobile Ltd	6.6%
CNOOC Ltd	6.3%
Fuyao Glass Industry	4.6%

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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](http://www.fullertonfund.com). Please also refer to [https://www.fullertonfund.com/literature/fullerton-lux-funds/?\\_sft\\_registered=luxembourg](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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