

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

May 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.

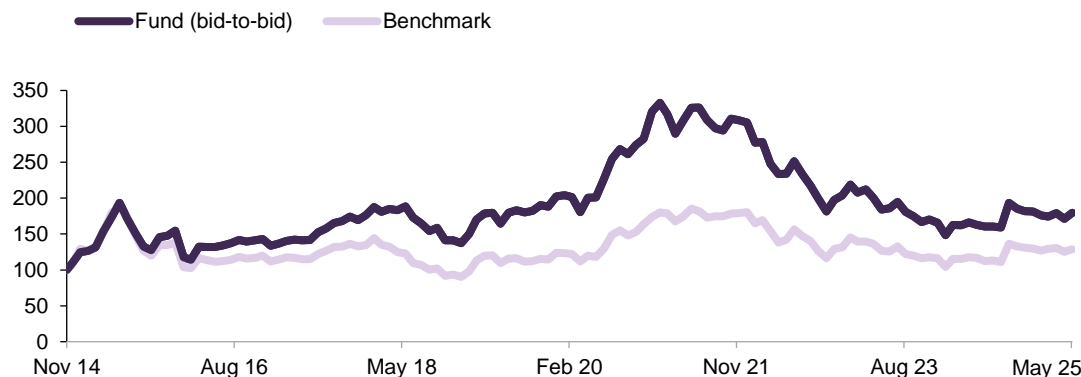
The investment universe will include, but not limited to, exchange traded funds, listed warrants, index futures, securities investment funds, listed onshore bonds, money market funds, cash and other financial instruments qualifying as RQFII Eligible Securities.

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)	4.70	2.57	-2.30	8.13	-10.16	-4.06	-2.61	3.73	24.22
Fund (offer-to-bid)	-0.29	-2.31	-6.96	2.99	-11.61	-4.99	-3.09	3.25	NA
Benchmark	2.73	-0.49	-1.59	10.41	-3.27	1.75	-3.73	2.42	24.37

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.

Inception date

10 Nov 2014

Fund size

USD 30.18 million

Base Currency

USD

Pricing Date

31 May 2025

NAV*

USD 14.72

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

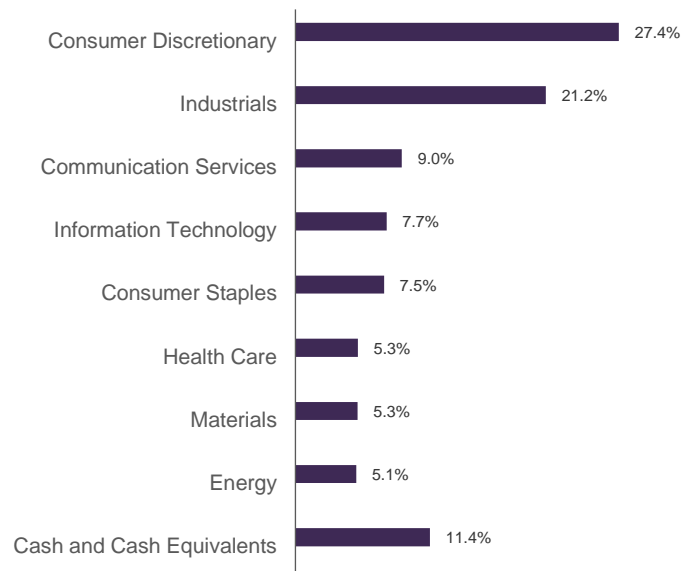
* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

** 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.

■ Portfolio

Sector Breakdown



Top 5 Holdings

Midea Group Co Ltd	10.1%
Shandong Himile Mechanical Science & Technology Co Ltd	8.3%
China Mobile Ltd	5.2%
CNOOC Ltd	5.1%
Angel Yeast Co Ltd	4.9%

Market Review

Global stock markets performed well in May, with a decrease in market volatility. Both Hong Kong and A-shares recorded positive returns, with the MSCI China Index rising by 3.9% in dollars, lower than the MSCI Global Index's 6.0% in dollars and the MSCI Emerging Markets Index's 4.3% in dollars.

In terms of sectors, the majority achieved positive returns in May, with energy, finance, healthcare, telecommunications, and industrial sectors leading the gains. The real estate sector experienced a significant pullback, while the information technology index saw a slight decline.

From a domestic policy perspective, on May 7, a press conference was held by the State Council, attended by leaders from various regulatory bodies. The central bank maintained a moderately loose monetary policy, announcing RRR cuts and interest rate reductions, lowering the reserve requirement ratio by 0.5 percentage points and the policy interest rate by 0.1 percentage points to inject liquidity into the market. The Financial Regulatory Bureau proposed further expanding the pilot scope for long-term investment of insurance funds to introduce incremental capital into the market. The China Securities Regulatory Commission suggested facilitating the entry of medium- to long-term funds into the market and assisting listed companies significantly impacted by tariff policies.

On the international policy front, a joint U.S.-China statement on May 12 announced a reduction of tariffs imposed since April 2 from 125% to 34%, with 24% of the tariffs deferred for 90 days, indicating a trend towards easing tariff tensions. The Federal Reserve held interest rates steady but maintained a hawkish stance, highlighting the need to monitor future tariff policy changes and economic data.

In May, China's macro data, particularly in real estate, showed a decline. The April CPI turned negative at -0.1%, and the PPI fell by 2.7%, with declines widening compared to March. On the production side, the manufacturing PMI for May reached 49.5, falling below the growth threshold, while industrial output grew by 6.1% year-on-year. Cement and electricity production declined by 5.3% and grew by 0.9%, respectively, indicating a slowdown in industrial recovery.

From investment perspective, fixed asset investment grew by 4.0% year-on-year, infrastructure investment by 5.8%, and real estate investment declined by 10.6%, signaling a slowdown in investment growth. The real estate market remained weak, with the average residential price in 70 cities decreasing by 4.55% year-on-year, although the decline narrowed slightly. New home sales saw a cumulative year-on-year decrease of 3.2%, with the decline further expanding, marking the end of the recovery phase seen earlier in the year. The yield on ten-year bonds rose slightly to 1.70%, while the USD/CNY exchange rate stood at 7.18, with the yuan appreciating slightly.

Investment Strategy

The overall trend of the A-shares has been positive during the past month. On one hand, the central bank's implementation of reserve requirement ratio (RRR) cuts and interest rate reductions has helped stabilize the economy. On the other hand, the easing of Sino-U.S. tariff tensions has provided strong support to the market. As a result, the Shanghai Composite Index rose by 2.09%, while the CSI 300 increased by 1.85%. From a sector perspective, there is significant structural differentiation. Defensive sectors such as environmental protection, pharmaceuticals, national defense, and banking performed well, while the technology growth sector experienced notable pullbacks, with the automotive supply chain, consumer electronics, and robotics seeing larger declines.

We remain committed to stock selection based on company value, emphasizing cash flow generation capabilities. In May, we reduced our holdings and completely exited positions in companies with a high proportion of exports to the U.S. to mitigate potential growth slowdowns due to tariff pressures. At the same time, we increased our stakes in companies that had rebounded to reasonable price levels and those with strong fundamentals. Looking ahead, our investment portfolio will continue to prioritize value style as the core configuration, selectively investing in high-quality companies with solid economic moats and ample safety margins. We will also opportunistically allocate to assets with strong growth potential, aiming for better long-term investment returns.

For additional information on Fullerton and its funds, please contact:

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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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