

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

July 2025

Investment Objective

The investment objective of the Fund is to generate long term capital appreciation.

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 QFI license and stocks listed on the Hong Kong Stock Exchange.

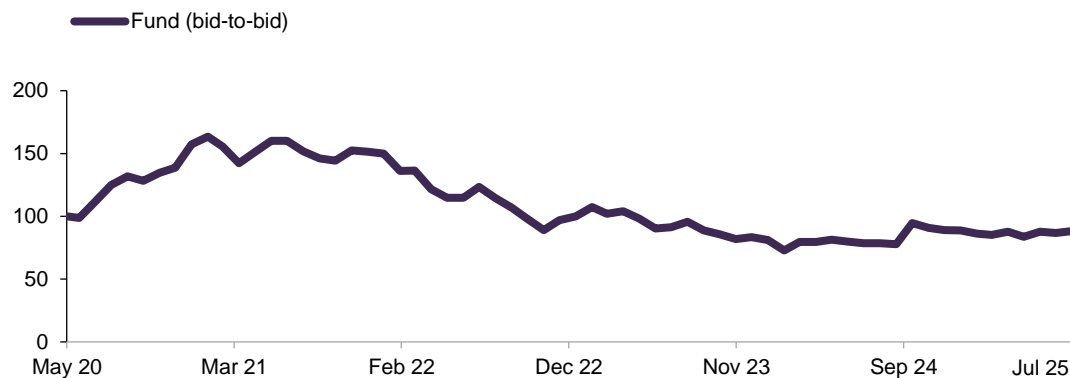
The investment universe will include, but is not limited to, exchange traded funds, listed warrants, index futures, securities investment funds, listed onshore bonds, money market funds, cash and other financial instruments qualifying as QFI Eligible Securities.

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	Sl. Ann. Ret.	Sl. Ann. Vol.
Fund (bid-to-bid)	1.60	4.98	1.73	11.07	-9.10	-7.54	-3.21	22.05

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. Past performance is not indicative of future returns.

Benchmark: Prior to 12 Jun 2025, the benchmark is MSCI China A Onshore Net (USD). From 12 Jun 2025, the fund will be actively managed without reference to a benchmark.

Fullerton Lux Funds - China A Equities updated its name to Fullerton Lux Funds - China Equities on 12 Jun 2025.

Source: Fullerton Fund Management Company Ltd and Bloomberg.

Inception date

08 May 2020

Fund size

USD 30.21 million

Base Currency

USD

Pricing Date

31 Jul 2025

NAV*

USD 8.43

Management fee**

Currently 0.8%, up to 1% 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**

1.44% p.a. (For financial year ended 31 Mar 2025)

Preliminary Charge**

Not applicable for Class R

Dealing day

Daily

Deadline

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

Bloomberg Code

FUCAERU LX

ISIN Code

LU2148510915

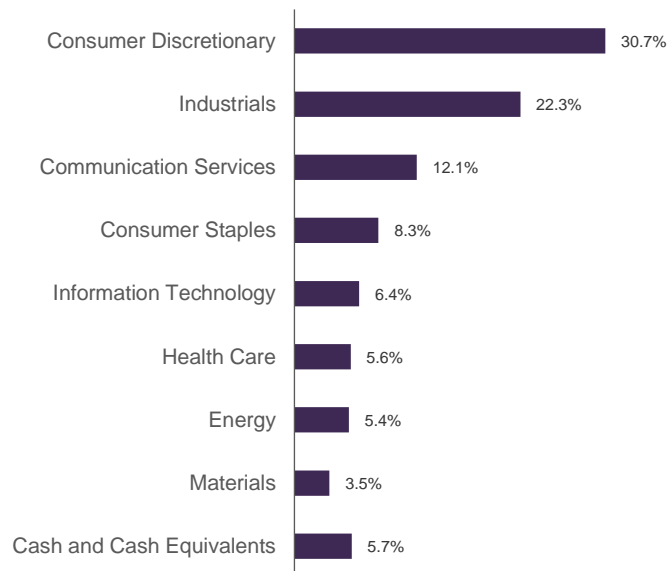
* Figures have been truncated to 2 decimal places. The official price is published on Fullerton's website.

** 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 FundSight S.A.

■ Portfolio

Sector Breakdown



Top 5 Holdings

China Mobile Ltd	8.0%
Midea Group Co Ltd	7.4%
Shandong Himile Mechanical Science & Technology Co Ltd	6.7%
CNOOC Ltd	5.4%
Contemporary Amperex Technology Co Ltd	4.8%

Market Review

Global stock markets performed well in July, with a decrease in market volatility. A-shares, Hong Kong stocks, and U.S. stocks all recorded positive returns, with the MSCI China Index rising by 4.8%, outperforming the MSCI World Index's gain of 1.3% and the MSCI Emerging Markets Index's 2.0% increase. In terms of sectors, the majority posted positive returns this month, with the healthcare index leading significantly at 24.6%, followed by the energy index at 10.9%. Sectors such as telecommunications, materials, and industrials also showed decent gains, while the previously high-performing information technology index experienced a pullback.

Domestically, the Central Financial and Economic Committee proposed regulating low-price and disorderly competition among enterprises. The National Development and Reform Commission and the State Administration for Market Regulation released the draft amendment to the Price Law of the People's Republic of China, deepening efforts to reduce excessive competition. On July 30, the Central Politburo held a meeting, characterizing the current situation as one of "strategic opportunities coupled with risks and challenges, with increasing unpredictable factors," a notable softening compared to the April meeting's emphasis on "international economic and trade struggles." There were no significant incremental statements regarding fiscal, monetary, or real estate policies.

On the international front, U.S. President Trump signed the "Big and Beautiful" Act on July 4, aimed at reshaping the economy through massive tax cuts, reductions in social welfare spending, and defense expansion. The third round of Sino-U.S. economic and trade talks concluded with both sides agreeing to extend the "tariff truce" by 90 days, although no substantial agreement was reached. On the evening of July 31 (U.S. Eastern Time), Trump signed an executive order adjusting "reciprocal tariff" rates for nearly 70 countries, set to take effect on August 7. Additionally, the Federal Reserve decided to keep the benchmark interest rate unchanged in July, but the Labor Department significantly revised down employment data for May and June, raising recession concerns and increasing expectations for rate cuts. Continued attention will be needed on the Fed's rate cut pace.

China's second-quarter GDP growth was 5.2%, slightly better than the market expectation of 5.1%. Both domestic and foreign investment institutions have raised their forecasts for China's economic growth. In June, the CPI turned positive at 0.1% year-on-year, while the PPI declined by 3.6%, with the decline in PPI further widening. In July, the manufacturing PMI reached 49.3, remaining below the expansion threshold. Industrial output grew by 6.8% year-on-year, with cement and electricity showing declines of 5.3% and growth of 1.7%, respectively, indicating a slowdown in industrial production recovery.

On the investment front, fixed asset investment grew by 2.8% year-on-year, with infrastructure investment increasing by 4.6%. However, real estate investment decreased by 11.5%, indicating a slowdown in investment growth as well. Real estate prices remain weak, with the average residential price in 70 cities down 3.69% year-on-year, though the rate of decline has narrowed slightly. The total sales value of new homes fell by 5.5% year-on-year, with a further widening of the decline. Stabilizing the real estate market may still require policy support. The ten-year bond yield rose slightly to 1.70%, and the USD/CNY exchange rate was 7.15, with the yuan appreciating slightly.

Investment Strategy

The A-share market has continued its upward trend over the past month, with the Shanghai Composite Index breaking through 3,600 points, approaching the intraday high of October 8, 2024. This rise has outpaced other global markets. On the macro front, the National Development and Reform Commission and the State Administration for Market Regulation released the draft amendment to the Price Law of the People's Republic of China (for public consultation), with a focus on reducing excessive competition becoming a central theme in the market. Cyclical sectors have performed exceptionally well. The third round of Sino-U.S. economic and trade talks has concluded, with both sides agreeing to extend the "tariff truce" period by 90 days. The Politburo meeting at the end of the month maintained an overall tone of "seeking progress while maintaining stability," with a more optimistic assessment of the economic situation compared to the April Politburo meeting. However, there were no significant incremental statements regarding fiscal, monetary, and real estate policies.

From a sectoral perspective, steel, pharmaceuticals and biotechnology, and building materials have led in gains, while transportation, food and beverage, and automotive sectors have lagged behind.

In terms of investment strategy, we continue to select stocks based on company value, emphasizing their cash flow generation capability. We are moderately increasing the allocation to more attractively valued Hong Kong stocks, focusing on leading companies in telecommunications and internet technology. Looking ahead, our investment portfolio will continue to prioritize a value style, selecting high-quality companies with solid moats and ample safety margins, while selectively allocating to growth-oriented assets, striving 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 without reference to a benchmark. 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.fundsight.com/corporate-governance/>. 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 FundSight S.A. ("FundSight"). Please note that FundSight may terminate the marketing arrangements of the Fund in accordance with Article 93a of Directive 2009/65/EC.

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