

Quarterly Report for

# New China Sectors Index Fund

29 February 2024



**AmInvest**

Growing Your Investments in a Changing World

## TRUST DIRECTORY

### **Manager**

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Ernst & Young PLT

### **Taxation Adviser**

Deloitte Tax Services Sdn Bhd

## **CONTENTS**

- 1** Manager's Report
- 8** Statement of Financial Position
- 10** Statement of Comprehensive Income
- 11** Statement of Changes in Net Assets Attributable to Unit Holders
- 12** Statement of Cash Flows
- 13** Directory

## MANAGER'S REPORT

Dear Unitholders,

We are pleased to present you the Manager's report and the unaudited quarterly accounts of New China Sectors Index Fund ("Fund") for the financial period from 1 December 2023 to 29 February 2024.

### Salient Information of the Fund

<b>Name</b>	New China Sectors Index Fund ("Fund")																																					
<b>Category/ Type</b>	Wholesale (Feeder Fund) / Growth																																					
<b>Name of Target Fund</b>	ICBC CSOP S&P New China Sectors ETF																																					
<b>Objective</b>	<p>The Fund seeks to provide capital growth by investing in one (1) collective investment scheme, which an exchange-traded fund.</p> <p><i>Note: Any material change to the investment objective of the Fund would require Unit Holders' approval.</i></p>																																					
<b>Duration</b>	The Fund was established on 31 May 2022 and shall exist for as long as it appears to the Manager and the Trustee that it is in the interests of the unitholders for it to continue. In some circumstances, the unitholders can resolve at a meeting to terminate the Fund.																																					
<b>Performance Benchmark</b>	S&P New China Sectors (A-shares Capped) Index (Available at <a href="http://www.aminvest.com">www.aminvest.com</a> )																																					
<b>Income Distribution Policy</b>	Subject to the availability of income, distribution (if any) is incidental.																																					
<b>Breakdown of Unit Holdings by Size</b>	<p>For the financial period under review, the size of the Fund for RM Class stood at 78,833 units, for RM-Hedged Class stood at 96,152 units and for HKD Class stood at 500 units.</p> <p><u>RM Class</u></p> <table border="1"> <thead> <tr> <th rowspan="2">Size of holding</th> <th colspan="2">As at 29 February 2024</th> <th colspan="2">As at 30 November 2023</th> </tr> <tr> <th>No of units held</th> <th>Number of unitholder</th> <th>No of units held</th> <th>Number of unitholder</th> </tr> </thead> <tbody> <tr> <td>5,000 and below</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>5,001-10,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>10,001-50,000</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>50,001-500,000</td> <td>78,833</td> <td>1</td> <td>78,833</td> <td>1</td> </tr> <tr> <td>500,001 and above</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table>				Size of holding	As at 29 February 2024		As at 30 November 2023		No of units held	Number of unitholder	No of units held	Number of unitholder	5,000 and below	-	-	-	-	5,001-10,000	-	-	-	-	10,001-50,000	-	-	-	-	50,001-500,000	78,833	1	78,833	1	500,001 and above	-	-	-	-
Size of holding	As at 29 February 2024		As at 30 November 2023																																			
	No of units held	Number of unitholder	No of units held	Number of unitholder																																		
5,000 and below	-	-	-	-																																		
5,001-10,000	-	-	-	-																																		
10,001-50,000	-	-	-	-																																		
50,001-500,000	78,833	1	78,833	1																																		
500,001 and above	-	-	-	-																																		

RM-Hedged Class

Size of holding	As at 29 February 2024		As at 30 November 2023	
	No of units held	Number of unitholders	No of units held	Number of unitholders
5,000 and below	-	-	-	-
5,001-10,000	-	-	-	-
10,001-50,000	40,161	1	40,161	1
50,001-500,000	55,991	1	120,810	2
500,001 and above	-	-	-	-

HKD Class

Size of holding	As at 29 February 2024		As at 30 November 2023	
	No of units held	Number of unitholder	No of units held	Number of unitholder
5,000 and below	500	1	500	1
5,001-10,000	-	-	-	-
10,001-50,000	-	-	-	-
50,001-500,000	-	-	-	-
500,001 and above	-	-	-	-

**Fund Performance Data****Portfolio Composition**

Details of portfolio composition of the Fund as at 29 February 2024, 30 November 2023 and 31 May 2023 are as follows:

	As at 29.02.2024 %	As at 30.11.2023 %	As at 31.05.2023 %
Foreign exchange traded fund	137.14	131.97	132.38
Forward contracts	0.29	0.34	-0.59
Money market deposits and cash equivalents	-37.43	-32.31	-31.79
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

*Note: The abovementioned percentages are calculated based on total net asset value.*

**Performance Details**

Performance details of the Fund for the financial periods ended 29 February 2024, 30 November 2023 and 31 May 2023 are as follows:

	FPE 29.02.2024	FPE 30.11.2023	FPE 31.05.2023
Net asset value (HKD)			
- RM Class	18,322	18,172	23,272
- RM-Hedged Class	13,885	23,626	34,954
- HKD Class	47	47	59
Units in circulation			
- RM Class	78,833	78,833	78,833
- RM-Hedged Class	96,152	160,971	178,651
- HKD Class	500	500	500
Net asset value per unit in HKD			
- RM Class	0.2324	0.2305	0.2952
- RM-Hedged Class	0.1444	0.1468	0.1957
- HKD Class	0.0934	0.0925	0.1184

	FPE 29.02.2024	FPE 30.11.2023	FPE 31.05.2023
Net asset value per unit in respective currencies			
- RM Class (RM)	0.1410	0.1376	0.1741
- RM-Hedged Class (RM)	0.0876	0.0876	0.1154
- HKD Class (HKD)	0.0934	0.0925	0.1184
Highest net asset value per unit in respective currencies			
- RM Class (RM)	0.1438	0.1732	1.0166
- RM-Hedged Class (RM)	0.0890	0.1117	1.0075
- HKD Class (HKD)	0.0949	0.1168	1.0000
Lowest net asset value per unit in respective currencies			
- RM Class (RM)	0.1182	0.1330	0.1741
- RM-Hedged Class (RM)	0.0738	0.0831	0.1154
- HKD Class (HKD)	0.0785	0.0872	0.1184
Benchmark performance (%)			
- RM Class	-7.25	-6.51	-15.61
- RM-Hedged Class	-7.25	-6.51	-15.61
- HKD Class	-7.25	-6.51	-15.61
Total return (%) <sup>(1)</sup>			
- RM Class	2.47	-20.05	-82.59
- RM-Hedged Class	0.00	-21.51	-88.46
- HKD Class	0.97	-20.80	-88.16
Capital growth (%)			
- RM Class	2.47	-20.05	-82.59
- RM-Hedged Class	0.00	-21.51	-88.46
- HKD Class	0.97	-20.80	-88.16
Total expense ratio (%) <sup>(2)</sup>	-10.49	10.56	35.07
Portfolio turnover ratio (times) <sup>(3)</sup>	0.12	0.17	3.40

**Note:**

- (1) Total return is the actual return of the Fund for the respective financial periods computed based on the net asset value per unit and net of all fees.
- (2) Total expense ratio ("TER") is calculated based on the total fees and expenses incurred by the Fund divided by the average fund size calculated on a daily basis.
- (3) Portfolio turnover ratio ("PTR") is calculated based on the average of the total acquisitions and total disposals of investment securities of the Fund divided by the average fund size calculated on a daily basis.

**Average Total Return (as at 29 February 2024)**

	New China Sectors Index Fund <sup>(a)</sup> %	S&P New China Sectors (A-shares Capped) Index <sup>(b)</sup> %
One year		
- RM Class	-36.11	-18.28
- RM-Hedged Class	-42.48	-18.28
- HKD Class	-39.51	-18.28
Since launch (31 May 2022)		
- RM Class	-67.44	-13.49
- RM-Hedged Class	-75.21	-13.49
- HKD Class	-74.28	-13.49

## Annual Total Return

Financial Period Ended (31 May)	New China Sectors Index Fund <sup>(a)</sup> %	S&P New China Sectors (A-shares Capped) Index <sup>(b)</sup> %
2023 <sup>(c)</sup>		
- RM Class	-82.59	-15.61
- RM-Hedged Class	-88.46	-15.61
- HKD Class	-88.16	-15.61

(a) Source: Novagni Analytics and Advisory Sdn. Bhd.

(b) S&P New China Sectors (A-shares Capped) Index  
(Available at [www.aminvest.com](http://www.aminvest.com))

(c) Total actual return for the financial period from 31 May 2022 (date of launch) to 31 May 2023

The Fund performance is calculated based on net asset value per unit of the Fund. Average total return of the Fund and its benchmark for a period is computed based on the absolute return for that period annualised over one year.

**Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.**

## Fund Performance

### RM Class

For the financial period under review, the Fund registered a return of 2.47% which is entirely capital growth in nature.

Thus, the Fund's return of 2.47% has outperformed the benchmark's negative return of 7.25% by 9.72%.

As compared with the financial period ended 30 November 2023, the net asset value ("NAV") per unit of the Fund increased by 2.47% from RM0.1376 to RM0.1410, while units in circulation remain unchanged at 78,833 units.

### RM-Hedged Class

For the financial period under review, the Fund's return is nil as compared to the benchmark's negative return of 7.25%.

As compared with the financial period ended 30 November 2023, the net asset value ("NAV") per unit of the Fund is maintained at RM0.0876, while units in circulation decreased by 40.27% from 160,971 units to 96,152 units.

### HKD Class

For the financial period under review, the Fund registered a return of 0.97% which is entirely capital growth in nature.

Thus, the Fund's return of 0.97% has outperformed the benchmark's negative return of 7.25% by 8.22%.

As compared with the financial period ended 30 November 2023, the net asset value ("NAV") per unit of the Fund increased by 0.97% from HKD0.0925 to HKD0.0934, while units in circulation remain unchanged at 500 units.

**Note: Past performance is not necessarily indicative of future performance and that unit prices and investment returns may go down, as well as up.**

**Performance of the Target Fund**

**Fund Performance Review of the Target Fund – ICBC CSOP S&P New China Sectors ETF (the “Target Fund”)**

Performance and TD/TE	Dated on 29 February 2024 rolling 1 Yr	Since Inception
Target Fund (3167.HK) Performance	-18.14%	3.38%
Tracking Index (SPNCSCHN) Performance	-17.14%	12.62%
Tracking Difference	-1.00%	
Tracking Error	0.27%	

Top 10 Holdings Summary			
Ranking	Ticker	Name	29-Feb-24
1	9988 HK Equity	Alibaba Group Holding Ltd	10.71%
2	700 HK Equity	Tencent Holdings Ltd	9.17%
3	1299 HK Equity	AIA Group Ltd	8.56%
4	PDD US Equity	Pinduoduo Inc-Adr	7.72%
5	3690 HK Equity	Meituan Dianping-Class B	4.01%
6	9999 HK Equity	Netease Inc	3.62%
7	9888 HK Equity	Baidu Inc-Class A	2.58%
8	2318 HK Equity	Ping An Insurance Group Co-H	2.53%
9	9618 HK Equity	JD.Com Inc - CI A	2.49%
10	600519 C1 Equity	Kweichow Moutai Co Ltd-A	2.41%

Source: CSOP, as at 29 February 2024

**Strategies and Policies Employed**

**Strategies and Policies employed by Target Fund**

In order to achieve the investment objective of the Sub-Fund, the Manager will primarily use a full replication strategy by directly investing all, or substantially all, of the assets of the Sub-Fund in Securities constituting the Underlying Index (“Index Securities”) in substantially the same weightings (i.e. proportions) as these Index Securities have in the Underlying Index.

Source: CSOP, as at 29 February 2024

**Strategies and Policies of the Fund**

For the financial period under review, the Fund seeks to achieve its investment objective by investing a minimum of 85% of the Fund’s NAV in the Target Fund. This implies that the Fund has a passive strategy.

**Portfolio Structure**

The table below is the asset allocation of the Fund as at 29 February 2024 and 30 November 2023.

	As at 29.02.2024 %	As at 30.11.2023 %	Changes %
Foreign exchange traded fund	137.14	131.97	5.17
Forward contracts	0.29	0.34	-0.05
Money market deposits and cash equivalents	-37.43	-32.31	-5.12
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	



	For the financial period under review, the Fund has invested 137.14% of its NAV in the foreign exchange traded fund, 0.29% in forward contracts and the balance of -37.43% in money market deposits and cash equivalents.
<b>Cross Trade</b>	There were no cross trades undertaken during the financial period under review.
<b>Distribution/ Unit splits</b>	There is no income distribution and unit split declared for the financial period under review.
<b>State of Affairs</b>	There has been neither significant change to the state of affairs of the Fund nor any circumstances that materially affect any interests of the unitholders during the financial period under review.
<b>Rebates and Soft Commission</b>	<p>During the period, the management company received soft commissions by virtue of transactions conducted for the Fund, in the form of research services, systems and services relating to performance measurement of portfolios and subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund.</p> <p>The company has soft commission arrangement with a total of 11 brokers, who execute trades for the Fund and other funds or investments managed by the company. The soft commission received would be in the form of research services, systems and services relating to performance measurement of portfolios and/or subscription fees for fund's benchmark indices. All of these assist in the investment decision making process which are of demonstrable benefit to unitholders of the Fund and other funds or investments managed by the company.</p> <p>Soft commissions received were for the benefit of the Fund and there was no churning of trades.</p>
<b>Market Review</b>	<p>The S&amp;P New China Sectors (A-shares capped) index returned -7.1% during December 2023 to February 2024. Despite experiencing three consecutive years of decline, the China and Hong Kong stocks market continued to record a significant drop in first month of 2024. This was led by the hawkish stance of the US Fed during the January FOMC meeting, signalled that the conditions for an interest rate cut had not yet been met. As a result, market expectations for a rate cut were postponed until the latter half of the year. Additionally, investors remained wary of escalating risks within the Chinese healthcare and technology sectors, which are particularly vulnerable to potential US restrictive measures that could be exacerbated by the dynamics of the US election this year. The HK/China market had exhibited a noteworthy rebound in February but failed to recoup loss across the period.</p> <p><i>Source: CSOP, as at 29 February 2024</i></p>
<b>Market Outlook</b>	<p>We maintain an optimistic outlook on the long-term performance of China's new economy sectors. The current valuation of Chinese equities reflects both a subdued appetite for risk assets among domestic investors and a relatively low allocation from foreign investors. We observed a growing emphasis from the central government on economic prospects, accompanied by the implementation of a series of actions taken by Chinese authorities to stabilize the capital market:</p> <p>Premier Li Qiang's call for more decisive measures in late January set the stage for subsequent interventions, the proposed 2 trillion Yuan stabilization fund drawn from various sources including SOEs, Central Huijin, FX reserves, and the PBoC is most perceived by the market.</p>

	<p>PBoC effectuated a 50bps cut in required reserve ratio, injecting 1 trillion yuan liquidity into the market, represents a bold move and the most substantial cut since 2021. Alongside, CSRC pledge to combat illegal activities like malicious short selling and insider trading help the battered stock market for further dampening.</p> <p>Central Huijin's ETF purchases are anticipated to attract sustained fund inflows into China A shares, affirming recent speculations regarding increased state involvement.</p> <p>Nevertheless, it's crucial to acknowledge the inherent link between Chinese equities and the housing market. Addressing underlying structural challenges such as economic slowdown, housing sector deleveraging, and deflation remains imperative. While the aforesaid stimulus to stock market present trading opportunities owing to attractive valuations and improved sentiment, long-term resilience hinges on addressing broader economic issues.</p> <p><i>Source: CSOP, as at 29 February 2024</i></p>
<p><b>Additional Information</b></p>	<p>The following information was updated:</p> <p>The First Supplementary Information Memorandum in respect of the Fund dated and effective 16 February 2024 has been lodged with Securities Commission Malaysia and is issued to inform sophisticated investors of the following, but is not limited to:</p> <ul style="list-style-type: none"> <li>• the update made to the disclosure in “Trustee’s Delegate (Custodian)”;</li> <li>• the update made to the sections in Additional Information; and</li> <li>• other updates which are general in nature</li> </ul>

Kuala Lumpur, Malaysia  
AmFunds Management Berhad

18 April 2024

**New China Sectors Index Fund**

**STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2024**

	<b>29.02.2024</b> <b>(unaudited)</b> <b>HKD</b>	<b>31.05.2023</b> <b>(audited)</b> <b>HKD</b>
<b>ASSETS</b>		
Investment	44,233	77,155
Derivative assets	93	-
Cash at banks	146	2,230
<b>TOTAL ASSETS</b>	<u>44,472</u>	<u>79,385</u>
<b>LIABILITIES</b>		
Derivative liabilities	1	346
Amount due to Trustee	1	3
Sundry payables and accruals	12,216	20,751
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS)</b>	<u>12,218</u>	<u>21,100</u>
<b>NET ASSET VALUE (“NAV”) OF THE FUND ATTRIBUTABLE TO UNIT HOLDERS</b>	<u>32,254</u>	<u>58,285</u>
<b>NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS OF THE FUND COMPRISE:</b>		
Unit holders’ contribution	112,130	126,192
Accumulated losses	(79,876)	(67,907)
	<u>32,254</u>	<u>58,285</u>
<b>NET ASSET VALUE</b>		
- HKD Class	47	59
- RM Class	18,322	23,272
- RM-Hedged Class	13,885	34,954
	<u>32,254</u>	<u>58,285</u>
<b>UNITS IN CIRCULATION</b>		
- HKD Class	500	500
- RM Class	78,833	78,833
- RM-Hedged Class	96,152	178,651
<b>NAV PER UNIT IN HKD</b>		
- HKD Class	0.0934	0.1184
- RM Class	0.2324	0.2952
- RM-Hedged Class	0.1444	0.1957

**New China Sectors Index Fund**

**STATEMENT OF FINANCIAL POSITION  
AS AT 29 FEBRUARY 2024 (CONT'D.)**

	<b>29.02.2024</b>	<b>31.05.2023</b>
	<b>(unaudited)</b>	<b>(audited)</b>
<b>NAV PER UNIT IN RESPECTIVE CURRENCIES</b>		
- HKD Class (HKD)	0.0934	0.1184
- RM Class (RM)	0.1410	0.1741
- RM-Hedged Class (RM)	0.0876	0.1154

## New China Sectors Index Fund

### STATEMENT OF COMPREHENSIVE INCOME *(Unaudited)* FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 29 FEBRUARY 2024

	01.12.2023 to 29.02.2024 HKD	01.12.2022 to 28.02.2023 HKD
<b>INVESTMENT LOSSES</b>		
Interest income	1	11
Net losses from investment:		
– Financial assets at fair value through profit or loss (“FVTPL”)	(3,429)	(18,265)
Other net realised losses on foreign currency exchange	(9)	(3)
Other net unrealised loss on foreign currency exchange	-	(26)
	<u>(3,437)</u>	<u>(18,283)</u>
<b>EXPENDITURE</b>		
Manager’s fee	(4)	(57)
Trustee’s fee	(2)	(6)
Audit fee		
- current period	(2,671)	(5,930)
- over provision in prior period	5,314	-
Tax agent’s fee		
- current period	(1,269)	(2,817)
- over provision in prior period	2,524	-
Other expenses	(430)	(522)
	<u>3,462</u>	<u>(9,332)</u>
<b>Net income/(loss) before taxation</b>	25	(27,615)
<b>Taxation</b>	-	-
<b>Net income/(loss) after taxation, representing total comprehensive income/(loss) for the financial period</b>	<u>25</u>	<u>(27,615)</u>
Total comprehensive income/(loss) comprises the following:		
Realised income/(loss)	1,442	(13,898)
Unrealised losses	(1,417)	(13,717)
	<u>25</u>	<u>(27,615)</u>

## New China Sectors Index Fund

### STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNIT HOLDERS

(Unaudited)

### FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 29 FEBRUARY 2024

	Unit holders' contribution HKD	Accumulated losses HKD	Total HKD
At 1 December 2023	121,746	(79,901)	41,845
Total comprehensive income for the financial period	-	25	25
Cancellation of units			
– RM-Hedged Class	(9,616)	-	(9,616)
Balance at 29 February 2024	<u>112,130</u>	<u>(79,876)</u>	<u>32,254</u>
At 1 December 2022	7,017	(6,101)	916
Total comprehensive loss for the financial period	-	(27,615)	(27,615)
Creation of units			
– RM Class	34,419	-	34,419
– RM-Hedged Class	188,261	-	188,261
Balance at 28 February 2023	<u>229,697</u>	<u>(33,716)</u>	<u>195,981</u>

## New China Sectors Index Fund

### STATEMENT OF CASH FLOWS *(Unaudited)*

FOR THE FINANCIAL PERIOD FROM 1 DECEMBER 2023 TO 29 FEBRUARY 2024

	01.12.2023 to 29.02.2024 HKD	01.12.2022 to 28.02.2023 HKD
<b>CASH FLOWS FROM OPERATING AND INVESTING ACTIVITIES</b>		
Proceeds from sale of investment	7,759	-
Purchases of investment	-	(145,315)
Net settlement from derivative contracts	(157)	(4,574)
Interest received	1	11
Manager's fee paid	(6)	(16)
Trustee's fee paid	(2)	(2)
Payments for other expenses	(430)	(525)
Net cash generated from/(used in) operating and investing activities	<u>7,165</u>	<u>(150,421)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from creation of units	-	205,172
Payments for cancellation of units	(9,616)	-
Net cash (used in)/generated from financing activities	<u>(9,616)</u>	<u>205,172</u>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	(2,451)	54,751
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL PERIOD</b>	<u>2,597</u>	<u>2,609</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL PERIOD</b>	<u>146</u>	<u>57,360</u>
Cash and cash equivalents comprise:		
Cash at banks	<u>146</u>	<u>57,360</u>

## **DIRECTORY**

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Friday (8.45 a.m. to 5.00 p.m.)*



