



CMS China Opportunities Flexifund – Class A

30 April 2024

IMPORTANT INFORMATION

CMS China Opportunities Flexifund (the "Fund") may not be suitable for all investors. Investment involves risks. Investors are advised to consider their own investment objectives and circumstances in determining the suitability of an investment in the Fund.

- The Fund invests primarily in RMB denominated and settled debt securities issued or listed in China through the RQFII quota of the RQFII Holder.
- Investment involves risks. There is no guarantee of the repayment of principal invested in the Fund.
- The Fund's investments are concentrated in the China market and may be subject to additional concentration risk and emerging market risk including political, economic, legal, regulatory and liquidity risks and risks associated with changes in the PRC laws and regulations.
- The tax provision of 10% made by the Manager on gross realised gains derived from the disposal of PRC securities may be excessive or inadequate to meet the actual tax liabilities. Any shortfall between the provisions and actual tax liabilities will be debited from the Fund's assets and the asset value of the Fund will be adversely affected.
- The Fund's investments through the RQFII Holder are subject to applicable regulations imposed by the PRC authorities. The imposition of any restrictions on repatriation of the invested capital and net profits may impact on the Fund's ability to meet redemption requests. In addition, if the RQFII Custodian or PRC brokers of the Fund default, the Fund may incur a substantial or even total loss. The RQFII rules are novel in nature and any changes to the relevant rules may have an adverse impact on investors' investment in the Fund.
- Subscription moneys and redemption proceeds of this Fund must be paid in RMB. RMB is currently not freely convertible and is subject to exchange controls by the Chinese government. In addition, an investor may suffer a loss if RMB depreciates against the relevant currency of the investor.
- Investing in RMB denominated debt securities issued or listed in China will subject the Fund to the credit/insolvency risk of issuers, risks relating to credit rating by Chinese local rating agencies, risks associated with lower rated / unrated debt securities, interest rate risk, downgrading risk of investment grade securities, valuation risk and liquidity risk.
- The Fund does not guarantee dividend distribution, therefore, investors may not receive any dividend payment.
- The investment decision is yours but you should not invest unless the intermediary which sells you the Fund has advised you that the Fund is suitable for you after considering your financial situation, investment experience and objectives, and has explained why, including how investment in the Fund will be consistent with your investment objectives.
- This material is for referential purpose only. Investors should not only base on this material alone to make investment decisions. Investors should read the Explanatory Memorandum and Product Key Facts Statement of the Fund for further details, including risk factors.

INVESTMENT OBJECTIVE

CMS China Opportunities Flexifund seeks to optimise asset allocation and provide long-term capital growth by investing primarily in debt securities which are denominated and settled in RMB and are issued or listed in China through the RQFII quota of the RQFII Holder#.

The RQFII holder is China Merchants Securities International Company Limited, which is the direct holding company of the Manager.

PERFORMANCE (WITH DIVIDEND REINVESTED)



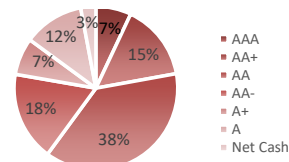
Source: CMS Asset Management (HK) Co., Limited and Bloomberg;
Fund performance is net of fees and calculated in HKD on NAV-to-NAV basis with dividend reinvested.

FUND INFORMATION (CLASS A)

NAV per Unit	RMB 94.251	
Management Company	CMS Asset Management (HK) Co., Limited	
Fund Manager	Zhou Geng ¹ Chen Yu ²	
Inception Date	12-Mar-12	
Charges ³	Initial Charge	Up to 5%
	Redemption Fee	N/A
	Management Fee	0% p.a.
ISIN Code	HK0000099785	
Bloomberg Code	CMSCHF HK <Equity>	

1. Appointment effective from 25-Oct-2021,
2. Appointment effective from 7-Jan-2022,
3. For further details on the fees, please refer to the Explanatory Memorandum of the Fund.

BOND RATING⁴



4. Bond Funds and Commercial Papers are excluded.

Cumulative Performance (with dividend reinvested)

1-Month	3-Month	Year-To-Date	1-Year	3-Year	5-Year	Since Inception
1.0%	1.8%	-5.0%	-11.9%	0.4%	-0.8%	-5.7%

Calendar Year Performance (with dividend reinvested)

2017	2018	2019	2020	2021	2022	2023
3.5%	-6.6%	2.8%	-2.0%	4.7%	-3.0%	3.7%

FUND MANAGER'S REPORT

Market Outlook

During April 2024, the Hang Seng Index, Hang Seng China Enterprises Index and CSI 300 Index recorded total returns of 5.0%, 5.3% and 0.8%, respectively (in local currency).

China's factory activity expanded for a second month, the best streak in more than a year, bolstering hopes that the rebound in the world's second-biggest economy can be sustained. The official manufacturing purchasing manager index reached 50.4 in April, after a surprise jump to 50.8 in March. The reading contained mixed signals. On a positive note, the economy largely maintained momentum thanks to robust construction and production — pointing to a lift from continued government support. But it's not all positive. Private demand is weak, reflected in notable slowdowns in the growth of new manufacturing orders and services activity.

The decline in the official manufacturing PMI was largely driven by the demand side. The drop in the new orders sub-index dragged down the headline PMI by 0.6 percentage point. Pushing the other way, the production component added 0.2 ppt. Both external and domestic demand gauges in the official manufacturing PMI signaled a slower pace of expansion. The new export orders sub-index declined to 50.6, while the imports sub-index fell back into contraction to 48.1 after a brief expansion in March. That's another sign of weak domestic demand.

The decline in the non-manufacturing PMI was steeper, with that gauge falling to 51.2 from 53.0 the previous month. The drop in the non-official manufacturing PMI was mainly due to a cooler services sector, with that component falling to 50.3 from 52.4 in March. In contrast, the construction PMI stayed robust, strongly in expansionary territory. The drop in the services PMI was steeper than the typical seasonal pullback, signaling the sustained headwinds from weak consumer sentiment and property slump.

The government's more consistent fiscal support so far this year has been a key driver for the economy. Weakness in the private sector means it needs to maintain the support. Monetary policy is constrained by the need to maintain currency stability. The earliest time that the PBOC may cut its policy rate is June, provided the European Central Bank lowers rates as expected. This leaves the government to do the heavy lifting with fiscal policy. First-quarter fiscal data indicated that it's keeping up the support. The PMIs suggest the spending continued to flow in April — avoiding the sort of sudden drop that occurred in April 2023.

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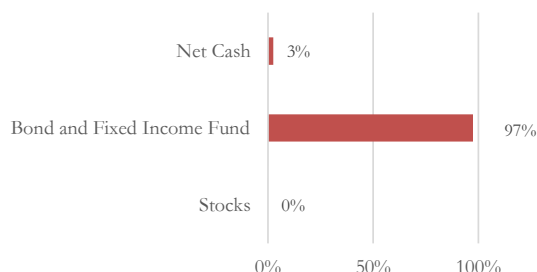
招商證券資產管理(香港)有限公司
CMS ASSET MANAGEMENT (HK) CO., LIMITED



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ASSET ALLOCATION



*Due to rounding, the total may not sum up to 100%.

TOP 5 HOLDINGS

	Top 5 Holdings	Weights of the Portfolio
1	LEYARD OPTOELECTRONIC	7.8%
2	HANGXIN TECH.	7.6%
3	OPPEIN HOME	7.5%
4	DYNAGREEN ENVIRONMENTAL	7.4%
5	GALAXY CENTURY MICRO	7.4%

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CMSAM is committed to managing climate risk in its investment portfolio. Company have adopted the Climate Change Risk Manual to meet its disclosure obligations.

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