

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

October 2018

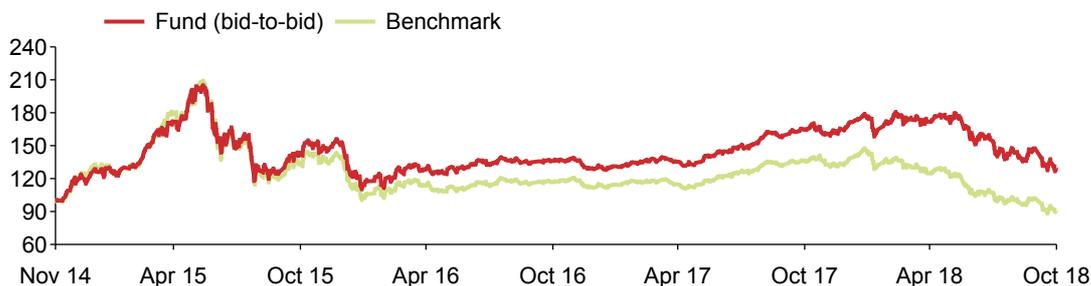
## Investment Objective

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.

## Performance (%)



	1 mth	3 mths	6 mths	1 yr	3 yrs	Sl. Ann. Ret.	Sl. Ann. Vol.
<b>Fund (bid-to-bid)</b>	-11.24	-14.75	-23.76	-20.60	-2.96	7.02	27.19
<b>Fund (offer-to-bid)</b>	-15.46	-18.81	-27.39	-24.38	-4.52	5.72	NA
<b>Benchmark</b>	-10.13	-14.34	-26.51	-32.75	-11.96	-2.15	28.24

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.

Benchmark: MSCI China A Onshore Net (USD)

Source: Fullerton Fund Management Company Ltd, MSCI Inc. and Bloomberg.

## Market Review

The MSCI China A index dropped by 8.93% for the month of October, with trading volumes still remaining low. This said, policies to stimulate and support the market were released during the month, to reverse prevailing poor sentiment surrounding China A share equities. Examples include the decision to reduce the RRR by 1% and the introduction of preferential policies on personal income tax in a bid to support consumption. The politburo has stressed on the importance of the private sector in China, and this has in turn eased market concerns on reform direction. Some local governments even raised money to help some private company owners who have faced severe difficulty amid the current market turmoil.

## Investment Strategy

Many policies have been released of late in a bid to stimulate and support the market; we believe this will result in margin improvements in selected sectors/companies. The central bank has also reduced the Reserve Requirement Ratio, coupled with the introduction of preferential policies on personal income tax so as to support more consumption. The government has also stressed on the important role played by the private sector in the Chinese economy, As such, while we currently see some form of bottoming out in the A-share market, we continue to remain cautious in view of macro-related risk factors playing out in the market.



Source: Asia Asset Management

### Inception date

10 Nov 2014

### Fund size

USD 28.98 million

### Base Currency

USD

### Pricing Date

31 Oct 2018

### NAV\*

USD 13.10

### Management fee

Up to 1.75% p.a.

### 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

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UEN: 200312672W

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

### Sector Breakdown

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Consumer Discretionary	4.9%
Consumer Staples	14.0%
Energy	3.5%
Financials	37.1%
Health Care	8.5%
Industrial	8.0%
Information Technology	1.3%
Materials	7.3%
Real Estate	8.6%
Cash	6.8%

### Top 5 Holdings

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China Merchants Bank	8.9%
Ping An Insurance Group	8.3%
Industrial Bank Co. Ltd	6.7%
Agricultural Bank of China	5.8%
Kweichow Moutai Co	5.2%

**Disclaimer:** This publication is for information only and your specific investment objectives, financial situation and needs are not considered here. The value of units in the Fund and any accruing income from the units may fall or rise. Any past performance, prediction or forecast is not indicative of future or likely performance. Any past payout yields and payments are not indicative of future payout yields and payments. Distributions (if any) may be declared at the absolute discretion of Fullerton Fund Management Company Ltd (UEN: 200312672W) ("Fullerton") and are not guaranteed. Distribution may be declared out of income and/or capital of the Fund, in accordance with the prospectus. Where distributions (if any) are declared in accordance with the prospectus, this may result in an immediate reduction of the net asset value per unit in the Fund. Applications must be made on the application form accompanying the prospectus, which can be obtained from Fullerton or its approved distributors. You should read the prospectus and seek advice from a financial adviser before investing. If you choose not to seek advice, you should consider whether the Fund is suitable for you. The Fund may use or invest in financial derivative instruments. Please refer to the prospectus of the Fund for more information.