

Important Information:

- Da Cheng China Balanced Fund ("The Fund") is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal. There is also no guarantee of dividend or distribution payments during the period you hold the units of the Fund. The instruments invested by the Fund may fall in value and therefore your investment in the Fund may suffer losses.
- The Fund invests primarily in a diversified portfolio of domestic securities traded in China and denominated and settled in RMB.
- The RQFII policy and rules are new and there may be uncertainty to its implementation and such policy and rules are subject to change. The uncertainty and change of the laws and regulations in the PRC (including the RQFII policy and rules) may adversely impact the Fund and such changes may also have potential retrospective effect. Investing in PRC-related companies and in PRC markets involve certain risks and special considerations not typically associated with investment in more developed economies or markets, such as greater political, tax, economic, foreign exchange, liquidity, legal and regulatory risk.
- The Fund is denominated in RMB and the majority of the investments of the Fund are made in RMB. Investors may invest in the Fund in RMB, HKD as well as USD. There is no guarantee that RMB will not depreciate. Investors should take into account the potential risk of loss in respect of creations, redemptions and dividends arising from fluctuations in value between HKD/USD and the RMB.
- The valuation of the Fund's investments may involve uncertainties and judgmental determinations, and independent pricing information may not at all times be available. If such valuations should prove to be incorrect, the Net Asset Value of the Fund may be adversely affected.
- Investment involves risks. There is a risk that you may lose a substantial part of all your investment. You are advised to consult the intermediary before investing. You should not invest in the Fund unless the intermediary who sells it to you has explained to you that the Fund is suitable for you having regard to your financial situation, investment experience and objectives.
- You should not make any investment decision solely based on this document alone. Investors should read the Fund's Explanatory Memorandum for further details including risk factors.

INVESTMENT OBJECTIVE

The Fund is a balanced fund and the investment objective of the Fund is to seek long-term growth of capital and income. The Fund seeks to achieve its objective through investing directly in fixed income and equity securities issued in China. The majority of the investments of the Fund will be onshore investments in China and will be denominated and settled in RMB.

ASSET ALLOCATION¹

Equity	71.20%
Fixed Income	25.85%
Cash	2.95%

SECTOR ALLOCATION^{1,5}(%)

	Equity	Fixed Income
Financials	14.33%	17.48%
Information Technology	10.60%	0.00%
Consumer Staples	8.84%	1.47%
Consumer Discretionary	7.97%	0.50%
Industrials	7.61%	1.19%
Materials	7.16%	1.51%
Health Care	5.52%	0.00%
Utilities	3.37%	0.44%
Energy	3.24%	0.66%
Communication Services	2.56%	0.00%
Real Estate	0.00%	1.54%
Government Bonds	0.00%	1.06%

EQUITY ALLOCATION¹(% of AUM)

A Shares - Main Board	54.98%
A Shares - ChiNext Board	6.01%
A Shares - Sci-Tech Innovation Board	3.60%
Hong Kong Stocks or US Listed China Stocks	6.61%

TOP TEN HOLDINGS¹(%)

Securities	Sectors	%
KWEICHOW MOUTAI CO LTD-A	Consumer Staples	4.35%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	Financials	1.87%
GREE ELECTRIC APPLIANCES INC-A	Consumer Discretionary	1.83%
ZIJIN MINING GROUP CO LTD-A	Materials	1.51%
CHINA MERCHANTS BANK CO LTD-A	Financials	1.47%
MENGDIAN HUANENG THERMAL POWER CORP LTD-A	Utilities	1.41%
LUXSHARE PRECISION INDUSTRY CO LTD-A	Information Technology	1.36%
MIDEA GROUP CO LTD-A	Consumer Discretionary	1.33%
CITIC SECURITIES CO LTD-A	Financials	1.30%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD-A	Financials	1.27%

FUND INFORMATION¹

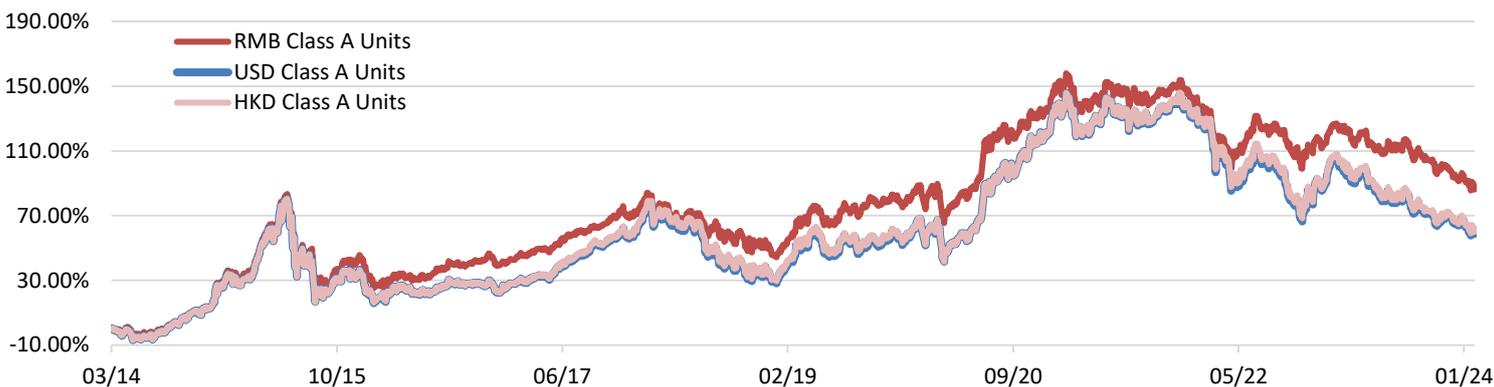
Manager	Da Cheng International Asset Management Co., Ltd.		
Launch Date	03/03/2014 (RMB Class A) / 14/08/2019 (RMB Class P Acc)		
	03/03/2014 (HKD Class A) / 14/08/2019 (HKD Class P Acc)		
	03/03/2014 (USD Class A) / 14/08/2019 (USD Class P Acc)		
ISIN	HK0000181096 (RMB Class A) / HK0000524238 (RMB Class P Acc)		
	HK0000181112 (HKD Class A) / HK0000524253 (HKD Class P Acc)		
	HK0000181138 (USD Class A) / HK0000524279 (USD Class P Acc)		
Bloomberg Ticker	DACBLAC HK (RMB Class A) / DACBRPA HK (RMB Class P Acc)		
	DACBLAH HK (HKD Class A) / DACBHPA HK (HKD Class P Acc)		
	DACBLAU HK (USD Class A) / DACBUPA HK (USD Class P Acc)		
Investment Advisor	Dacheng Fund Management Company Limited		
Trustee and Registrar	BOCI-Prudential Trustee Limited		
Custodian	Bank of China (Hong Kong) Limited		
Minimum Initial Investment	RMB 10,000 (Class A) / RMB 1 (Class P Acc)		
	HKD 12,000 (Class A) / HKD 1 (Class P Acc)		
	USD 1,500 (Class A) / USD 1 (Class P Acc)		
Base Currency	RMB	Dealing Frequency	Daily
	10.69 (RMB Class A) / 9.34 (RMB Class P Acc)		
NAV	8.72 (HKD Class A) / 10.42 (HKD Class P Acc)		
	8.63 (USD Class A) / 10.60 (USD Class P Acc)		
Dividend Policy	Monthly distribution (if any) at the Manager's discretion subject to PRC withholding tax provisioning. Dividends may be paid out of capital or effectively out of capital of the relevant Class and may result in an immediate reduction of the Net Asset Value per Unit of the Sub-Fund. Dividends will be paid in the currency of the relevant class of Units. (Class A)		
	No dividends are paid (Class P Acc)		
Management Fee	1.35% (Class A) / 1.35% (Class P)		
Preliminary Charge	Up to 5% of the subscription price	Redemption Charge	Nil
Fund Size	RMB (million) 4,526		

LATEST 4 DIVIDEND INFORMATION

Classes	Dividend per Unit	Annualized Yield ⁶	Record Date
RMB Class A Units	RMB 0.09	9.35%	16/10/2023
USD Class A Units	USD 0.08	10.48%	16/10/2023
HKD Class Unit	HKD 0.08	10.36%	16/10/2023
RMB Class A Units	RMB 0.09	9.32%	15/11/2023
USD Class A Units	USD 0.08	10.20%	15/11/2023
HKD Class Unit	HKD 0.08	10.13%	15/11/2023
RMB Class A Units	RMB 0.09	9.71%	15/12/2023
USD Class A Units	USD 0.08	10.62%	15/12/2023
HKD Class Unit	HKD 0.08	10.51%	15/12/2023
RMB Class A Units	RMB 0.09	9.85%	15/01/2024
USD Class A Units	USD 0.08	10.84%	15/01/2024
HKD Class Unit	HKD 0.08	10.71%	15/01/2024

CUMULATIVE PERFORMANCE^{1,2}

	Year-to-date	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception ^{3,4}
RMB Class A Units	-5.21%	-5.21%	-6.59%	-14.37%	-17.34%	-23.88%	21.02%	86.15%
USD Class A Units	-6.06%	-6.06%	-4.63%	-14.73%	-22.15%	-31.62%	13.31%	58.64%
HKD Class A Units	-6.00%	-6.00%	-4.78%	-14.61%	-22.38%	-31.11%	12.85%	59.91%
USD Class P Units Acc	-6.03%	-6.03%	-4.68%	-14.79%	-22.23%	-31.75%	N/A	6.00%
HKD Class P Units Acc	-5.96%	-5.96%	-4.75%	-14.59%	-22.41%	-31.13%	N/A	4.20%

PERFORMANCE SINCE INCEPTION^{1,2,3} (Class A)**FUND MANAGER'S COMMENTARY**

Due to the influence of internal and external factors, the performance of the A-share market was weak in January. The Shanghai Composite Index, ChiNext Index, and CSI 300 Index fell by 6.27%, 16.81%, and 6.29% respectively. In terms of sectors, the coal and banking sectors saw significant gains, while the electronic, computer, and defense industries experienced notable declines.

There are increasing factors indicating the stabilization of the domestic economy. The National People's Congress and Chinese People's Political Consultative Conference meetings were held, where the focus and priorities for the new year's work were actively discussed. This, along with signals from the State Council's regular meetings, indicated stability in the capital market. The domestic economy has gradually stabilized, with the manufacturing Purchasing Managers' Index (PMI) rebounding to 49.2% in January. Both exports and corporate profits have accelerated their recovery, reflecting an improvement in the domestic economic situation. Policies continue to send positive signals, as emphasized in the State Council meeting on 22 January, which highlighted the importance of enhancing market stability and promoting the steady and healthy development of the capital market. The policies and measures introduced by various departments after the State Council meeting demonstrated a strong commitment to stabilizing the capital market. The central bank unexpectedly reduced the reserve requirement ratio by 0.5 percentage points, the State-Owned Assets Supervision and Administration Commission implemented comprehensive market value management assessments for central state-owned enterprises, the China Securities Regulatory Commission emphasized the investor-centric concept and further relaxation of real estate policies occurred with the lifting of purchase restrictions in Guangzhou, Shanghai, and Suzhou. In terms of capital inflows, large funds entered the A-share market through Shanghai 50 ETF and CSI 300 ETF, providing support and leading to multiple V-shaped reversals in the A-share market in January. Furthermore, looking at the current situation of local legislative meetings, the GDP growth targets for 2024 set during these meetings are slightly below 5%, indicating a greater possibility for future growth-stabilizing policies. From an international perspective, the Federal Reserve's first interest rate meeting of the year maintained the current interest rate but dampened expectations of a rate cut in March. This, combined with the significantly better-than-expected non-farm payroll data for January, led to market adjustments in expectations of Federal Reserve interest rate cuts.

Looking ahead, policies will continue to be actively implemented, and the expectation of weak economic performance may have been the main cause of the A-share market's volatility in January. The economy is expected to continue to stabilize in the future. In terms of market style, in the short term, the market may lean towards high-dividend stocks, and as the economy recovers, cyclical sectors may have opportunities for outperformance. In the short term, attention should be given to sectors such as banking and coal with high dividend yields, while in the medium to long term, sectors such as food and beverages and household appliances with cyclical trends should be monitored.

1. Source: DCI, all information as at 31 January 2024. 2. NAV to NAV with income (if any) reinvested. 3. Fund launch date and Class A Units launch date: 03 March 2014. 4. Class P (Acc) Units launch date: 14 August 2019. 5. Classification is based on Global Industry Classification Standard (GICS). 6. Annualized yield is calculated as follows (before Oct 2021): (dividend amount/NAV as of payment date) x 4. Annualized yield is calculated as follows (from Oct 2021): (dividend amount/NAV as of payment date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. 7. Source of star rating: Morningstar, Inc., Da Cheng China Balanced Fund RMB Class A Units received a 5-star Morningstar Rating™. 8. 2022 BENCHMARK Fund of the Year Awards - Top Mutual Funds (Greater China Allocation) BEST-IN-CLASS Source: BENCHMARK Top Mutual Fund Awards are based on quantitative performance, Sortino Ratio, and ESG performance and reflect the performance data between 1 October 2021 and 30 September 2022 for 12-month returns, and 1 October 2019 to 30 September 2022 for 3-year returns. Data Source: Fund Data - Morningstar, ESG Data - BlueOnion.

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