


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	70.65%
Fixed Income	25.69%
Cash	3.66%

SECTOR ALLOCATION^{1,5}(%)

	Equity	Fixed Income
Financials	17.09%	4.71%
Information Technology	12.32%	0.85%
Industrials	11.82%	3.55%
Health Care	8.42%	0.56%
Consumer Discretionary	6.40%	0.25%
Materials	6.20%	0.11%
Consumer Staples	3.83%	0.79%
Communication Services	1.97%	0.00%
Utilities	1.81%	0.20%
Energy	0.79%	0.12%
Real Estate	0.00%	0.00%
Government Bonds	0.00%	14.55%

EQUITY ALLOCATION¹(% of AUM)

A Shares - Main Board	46.15%
A Shares - ChiNext Board	4.93%
A Shares - Sci-Tech Innovation Board	3.90%
Hong Kong Stocks or US Listed China Stocks	15.67%

TOP TEN HOLDINGS¹(%)

Securities	Sectors	%
CHINA MERCHANTS BANK CO LTD-A	Financials	2.88%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	Industrials	2.55%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	Financials	2.13%
CHINA YANGTZE POWER CO LTD-A	Utilities	1.77%
GREE ELECTRIC APPLIANCES INC-A	Consumer Discretionary	1.37%
HUATAI SECURITIES CO LTD-A	Financials	1.22%
JIANGSU HENGRUI MEDICINE CO LTD-A	Health Care	1.17%
ZIJIN MINING GROUP CO LTD-A	Materials	1.15%
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	Financials	1.09%
CHINA CONSTRUCTION BANK CORP-H	Financials	1.08%

FUND INFORMATION¹

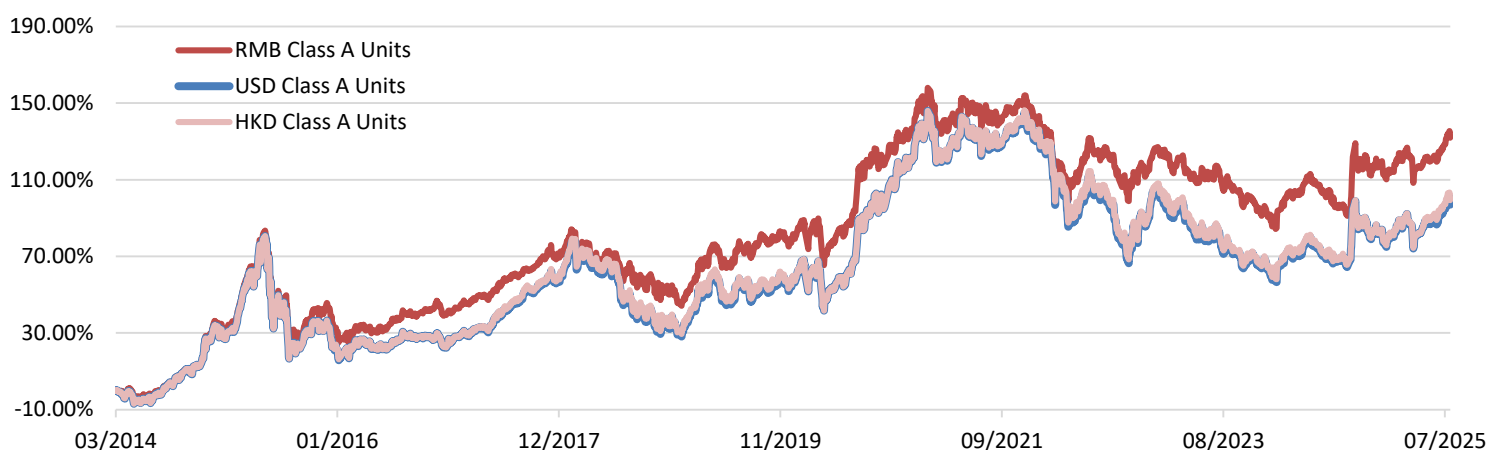
Manager	Da Cheng International Asset Management Co., Ltd.		
Launch Date	03/03/2014 (RMB Class A) / 14/11/2023 (RMB Class P Acc)		
	03/03/2014 (HKD Class A) / 14/08/2019 (HKD Class P Acc)		
	03/03/2014 (USD Class A) / 14/08/2019 (USD Class P Acc)		
ISIN	HK0000181096 (RMB Class A) / HK0000524238 (RMB Class 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
	11.61 (RMB Class A) / 11.62 (RMB Class P Acc)		
NAV	9.35 (HKD Class A) / 12.98 (HKD Class P Acc)		
	9.20 (USD Class A) / 13.15 (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) 5,181		

LATEST 4 DIVIDEND INFORMATION

Classes	Dividend per Unit	Annualized Yield ⁶	Record Date
RMB Class A Units	RMB 0.08	8.66%	15/04/2025
USD Class A Units	USD 0.07	9.64%	15/04/2025
HKD Class Unit	HKD 0.07	9.60%	15/04/2025
RMB Class A Units	RMB 0.08	8.55%	15/05/2025
USD Class A Units	USD 0.07	9.40%	15/05/2025
HKD Class Unit	HKD 0.07	9.26%	15/05/2025
RMB Class A Units	RMB 0.08	8.48%	16/06/2025
USD Class A Units	USD 0.07	9.31%	16/06/2025
HKD Class Unit	HKD 0.07	9.16%	16/06/2025
RMB Class A Units	RMB 0.08	8.21%	15/07/2025
USD Class A Units	USD 0.07	9.00%	15/07/2025
HKD Class Unit	HKD 0.07	8.86%	15/07/2025

CUMULATIVE PERFORMANCE^{1,2}

	Year-to-date	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception ^{3,4}
RMB Class A Units	6.26%	3.55%	7.32%	7.95%	15.47%	3.80%	6.29%	63.74%	131.88%
USD Class A Units	8.09%	2.89%	8.12%	8.56%	15.75%	-3.06%	2.91%	41.36%	96.91%
HKD Class A Units	9.31%	2.85%	9.47%	9.42%	16.22%	-3.07%	4.21%	43.08%	99.35%
RMB Class P Units Acc	6.12%	3.47%	7.20%	7.79%	15.39%	N/A	N/A	N/A	16.20%
USD Class P Units Acc	8.05%	2.81%	8.05%	8.41%	15.66%	-3.17%	2.65%	N/A	31.50%
HKD Class P Units Acc	9.26%	2.85%	9.44%	9.35%	16.20%	-3.13%	4.01%	N/A	29.80%

PERFORMANCE SINCE INCEPTION^{1,2,3} (Class A)

FUND MANAGER'S COMMENTARY

In July, the A-share market closed higher, with the Shanghai Composite Index, the CSI 300, and the ChiNext Index rising by 3.74%, 3.54% and 8.14%. Sector-wise, iron and steel, pharmaceutical and biotechnology, and building materials led the gains, while banking, utilities, and transportation recorded the largest declines.

On the macroeconomic front, China's GDP grew by 5.2% year-on-year in Q2. Industrial production accelerated in June, and exports remained resilient despite external challenges. Although the manufacturing PMI fell to 49.3% in July, the non-manufacturing PMI remained in the expansion territory. These indicators collectively point to steady economic growth and a gathering of positive momentum. A series of policy measures were rolled out to crack down on irrational "rat race" or "involution-style" competition. The sixth meeting of the Central Financial and Economic Affairs Commission emphasized the importance of tackling disorderly price competition and phasing out obsolete production capacity. The July meeting of the Political Bureau reinforced this direction in policymaking, raising hopes for follow-up policies. Further, the scope of the anti-involution-style competition campaign has been extended to include both traditional and emerging sectors. This approach aligns with both the present urgent needs of optimizing industrial structure and the long-term strategic direction of achieving high-quality development. As such, it will facilitate capacity rationalization in high-priority industries, effectively supporting high-quality economic growth. Moreover, the July meeting of the Political Bureau underscored the need to enhance the attractiveness and inclusiveness of China's capital market, reinforcing the positive momentum in the capital market. The policy signal to further safeguard the healthy development of the capital market has been reinforced, with future policy measures expected to focus on enhancing the quality of listed companies, improving investor return mechanisms, and attracting capital inflows from insurers, social security funds, and foreign investors. Internationally, weaker-than-expected U.S. non-farm payroll data for July, coupled with downward revisions of data for the previous two months, have raised concerns over a potential U.S. economic recession. These developments have heightened expectations for the Federal Reserve to initiate rate cuts as early as September.

Looking ahead, policies to curb rat race competition are expected to support a recovery in domestic price levels. In tandem with softening conditions in the U.S. labor market, the likelihood of the Fed cutting rates in September has increased. Against this backdrop, market risk appetite is likely to remain relatively robust. Growth style is expected to prevail. Strategically, the fund will focus on sectors aligned with the anti-involution-style competition policy agenda, such as photovoltaic, automobile, and non-ferrous metals, as well as high-growth themes, including innovative pharmaceuticals, semiconductors, and telecommunications equipment.

1. Source: DCI, all information as at 31 July 2025. 2. NAV to NAV with income (if any) reinvested. 3. Fund launch date and Class A Units launch date: 03 March 2014. 4. HKD & USD Class P (Acc) Units launch date: 14 August 2019. RMB Class P (Acc) Units launch date: 14 November 2023. 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 4-star Morningstar RatingTM. 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 - BlueOrion.

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