

**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 ALLOCATION<sup>1</sup>**

Equity	71.22%
Fixed Income	24.60%
Cash	4.18%

**SECTOR ALLOCATION<sup>1,5</sup>(%)**

	Equity	Fixed Income
Information Technology	17.01%	0.62%
Industrials	12.14%	2.68%
Financials	11.64%	8.20%
Materials	8.76%	0.26%
Consumer Staples	6.88%	0.00%
Consumer Discretionary	5.13%	0.00%
Health Care	4.51%	0.68%
Energy	2.59%	0.00%
Utilities	1.36%	0.14%
Communication Services	0.74%	0.00%
Real Estate	0.46%	0.00%
Government Bonds	0.00%	12.02%

**EQUITY ALLOCATION<sup>1</sup>(% of AUM)**

A Shares - Main Board	44.81%
A Shares - ChiNext Board	8.10%
A Shares - Sci-Tech Innovation Board	4.75%
Hong Kong Stocks or US Listed China Stocks	13.56%

**TOP TEN HOLDINGS<sup>1</sup>(%)**

Securities	Sectors	%
KWEICHOW MOUTAI CO LTD-A	Consumer Staples	2.53%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	Industrials	2.50%
ZHONGJI INNOLIGHT CO LTD-A	Information Technology	2.48%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD-A	Financials	1.79%
CHINA MERCHANTS BANK CO LTD-A	Financials	1.64%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	Financials	1.58%
MIDEA GROUP CO LTD-A	Consumer Discretionary	1.44%
ZIJIN MINING GROUP CO LTD-A	Materials	1.40%
CHINA CONSTRUCTION BANK CORP-A	Financials	1.37%
LUXSHARE PRECISION INDUSTRY CO LTD-A	Information Technology	1.34%

**FUND INFORMATION<sup>1</sup>**

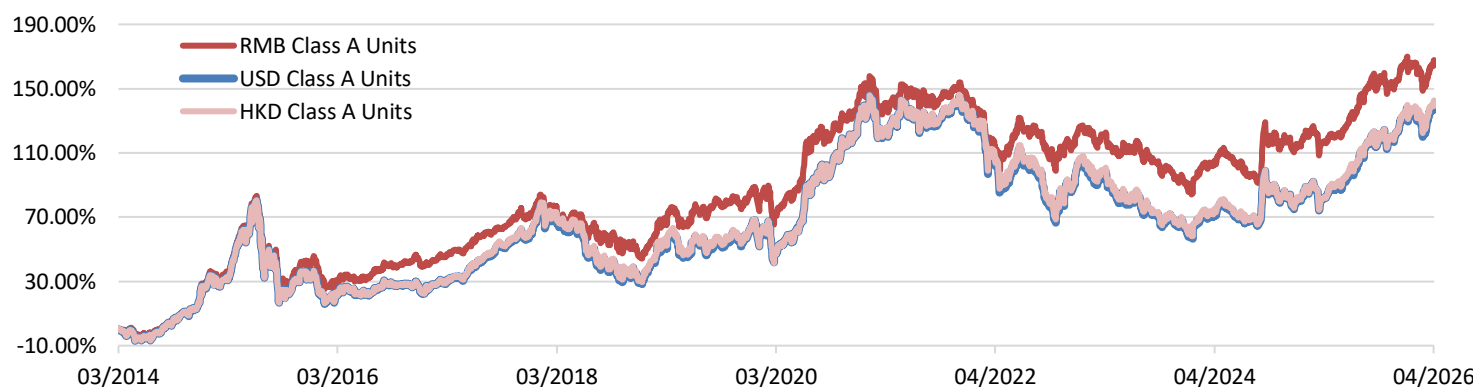
Manager	Da Cheng International Asset Management Co., Ltd.		
Launch Date	03/03/2014 (RMB Class A) / 14/11/2023 (RMB Class P Acc) 03/03/2014 (HKD Class A) / 14/08/2019 (HKD Class P Acc) 03/03/2014 (USD Class A) / 14/08/2019 (USD Class P Acc)		
ISIN	HK0000181096 (RMB Class A) / HK0000524238 (RMB Class P 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
NAV	12.65 (RMB Class A) / 13.43 (RMB Class P Acc) 10.70 (HKD Class A) / 15.79 (HKD Class P Acc) 10.54 (USD Class A) / 16.04 (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) 7,145		

**LATEST 4 DIVIDEND INFORMATION**

Classes	Dividend per Unit	Annualized Yield <sup>6</sup>	Record Date
RMB Class A Units	RMB 0.08	7.48%	15/1/2026
USD Class A Units	USD 0.07	8.00%	15/1/2026
HKD Class Unit	HKD 0.07	7.92%	15/1/2026
RMB Class A Units	RMB 0.08	7.57%	12/2/2026
USD Class A Units	USD 0.07	7.98%	12/2/2026
HKD Class Unit	HKD 0.07	7.87%	12/2/2026
RMB Class A Units	RMB 0.08	7.95%	16/3/2026
USD Class A Units	USD 0.07	8.44%	16/3/2026
HKD Class Unit	HKD 0.07	8.33%	16/3/2026
RMB Class A Units	RMB 0.08	7.69%	15/4/2026
USD Class A Units	USD 0.07	8.08%	15/4/2026
HKD Class Unit	HKD 0.07	7.95%	15/4/2026

CUMULATIVE PERFORMANCE<sup>1,2</sup>

	Year-to-date	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception <sup>3,4</sup>
RMB Class A Units	4.99%	6.72%	0.43%	4.84%	23.94%	24.06%	9.53%	103.12%	167.77%
USD Class A Units	7.43%	8.17%	2.34%	9.29%	31.88%	25.99%	3.73%	93.18%	140.17%
HKD Class A Units	8.16%	8.04%	2.60%	10.24%	33.29%	25.74%	4.65%	95.20%	142.73%
RMB Class P Units Acc	5.00%	6.76%	0.45%	4.84%	23.89%	N/A	N/A	N/A	34.30%
USD Class P Units Acc	7.36%	8.16%	2.30%	9.26%	31.80%	25.80%	3.55%	N/A	60.40%
HKD Class P Units Acc	8.00%	8.00%	2.53%	10.11%	33.14%	25.52%	4.43%	N/A	57.90%

PERFORMANCE SINCE INCEPTION<sup>1,2,3</sup> (Class A)

## FUND MANAGER'S COMMENTARY

The A-share market closed higher in April, with the Shanghai Composite Index, the CSI 300, and the ChiNext Index rising by 5.66%, 8.03% and 15.45%, respectively. Sector-wise, electronics, telecommunications, and conglomerates were the top performers, while food and beverage, transportation, and banking saw the largest declines.

Economic activity continued to improve steadily. The April manufacturing PMI edged down 0.1 percentage point month-on-month to 50.3%, while remaining in expansion territory. On the investment side, early signs of stabilization emerged, with fixed-asset investment growth turning positive year-on-year in Q1 2026 at 1.7%. Meanwhile, production activity improved in both pace and quality, and value-added industrial output from enterprises above designated size increased by 6.1% year-on-year in Q1, up 1.1 percentage points relative to Q4 2025. Benefiting from the AI investment boom and structural tailwinds from the global energy transition driven by tensions in the Middle East, exports of the "New Trio" (photovoltaics, lithium-ion batteries, and new energy vehicles) performed strongly, contributing to a 14.7% increase in total exports in Q1. On the back of multiple supportive factors, both nominal and real GDP growth approached 5%. The GDP deflator improved meaningfully, while headline price levels largely shifted from contractionary to expansionary territory. Improved income conditions across microeconomic agents helped alleviate prior pessimism associated with deflationary pressures, and corporate profitability showed signs of structural recovery. Looking forward, US-Iran strategic tensions in the Strait of Hormuz are likely to push up oil prices. Supported by China's relatively high energy self-sufficiency and resilient supply chain infrastructure, domestic producers may enjoy a comparative cost advantage versus other exporters under elevated oil price conditions, potentially supporting further gains in export market share. In foreign exchange markets, despite geopolitical tensions driving a strong U.S. dollar against major currencies, the renminbi bucked the trend in mid April, reaching its strongest level in nearly three years. This resilience was primarily underpinned by China's structural advantages in domestic energy mix. Looking ahead, ongoing geopolitical tensions may further support medium- to long-term appreciation of the RMB through multiple channels, including the reinforcement of China's competitive edge in new energy export and the acceleration of settlement currency diversification in international trade. Domestic macro policy support remained active. The April meeting of the Political Bureau called for targeted and effective implementation of more proactive fiscal measures alongside a moderately accommodative monetary stance, reinforcing market expectations for a new round of policy roll-out. Globally, escalating tensions in the Middle East increased market expectations for further tightening by the U.S. Federal Reserve. However, given signs of softening U.S. economic momentum, the likelihood of additional rate hikes by year's end remains relatively low.

Looking forward, confidence in the sustainability of improvement in China's economic fundamentals continues to strengthen, and market sensitivity to developments in the Middle East appears to be moderating. As such, the A-share market is expected to remain resilient, with market style likely to become more balanced. From an investment strategy perspective, particular attention should be paid to sectors showing signs of earnings improvement as well as those poised to benefit from risk appetite recovery. The former includes sectors such as chemicals, energy and semiconductors, while the latter encompasses Internet, AI, and pharmaceuticals.

1. Source: DCI, all information as at 30 April 2026. 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 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.

## IMPORTANT DISCLAIMER

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