


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	68.16%
Fixed Income	26.78%
Cash	5.06%

SECTOR ALLOCATION^{1,5}(%)

	Equity	Fixed Income
Information Technology	19.89%	1.19%
Industrials	11.31%	1.87%
Financials	9.83%	6.95%
Materials	7.43%	0.23%
Consumer Staples	5.50%	0.12%
Consumer Discretionary	4.63%	0.00%
Health Care	4.47%	1.06%
Energy	2.27%	0.00%
Utilities	1.26%	0.13%
Real Estate	0.89%	0.00%
Communication Services	0.68%	0.00%
Government Bonds	0.00%	15.23%

EQUITY ALLOCATION¹(% of AUM)

A Shares - Main Board	40.23%
A Shares - ChiNext Board	10.14%
A Shares - Sci-Tech Innovation Board	5.50%
Hong Kong Stocks or US Listed China Stocks	12.29%

TOP TEN HOLDINGS¹(%)

Securities	Sectors	%
ZHONGJI INNOLIGHT CO LTD-A	Information Technology	3.10%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	Industrials	2.75%
KWEICHOW MOUTAI CO LTD-A	Consumer Staples	2.24%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD-A	Financials	1.56%
CHINA MERCHANTS BANK CO LTD-A	Financials	1.51%
EOPTELINK TECHNOLOGY INC LTD-A	Information Technology	1.46%
LUXSHARE PRECISION INDUSTRY CO LTD-A	Information Technology	1.34%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	Financials	1.32%
MIDEA GROUP CO LTD-A	Consumer Discretionary	1.31%
CHINA CONSTRUCTION BANK CORP-A	Financials	1.23%

FUND INFORMATION¹

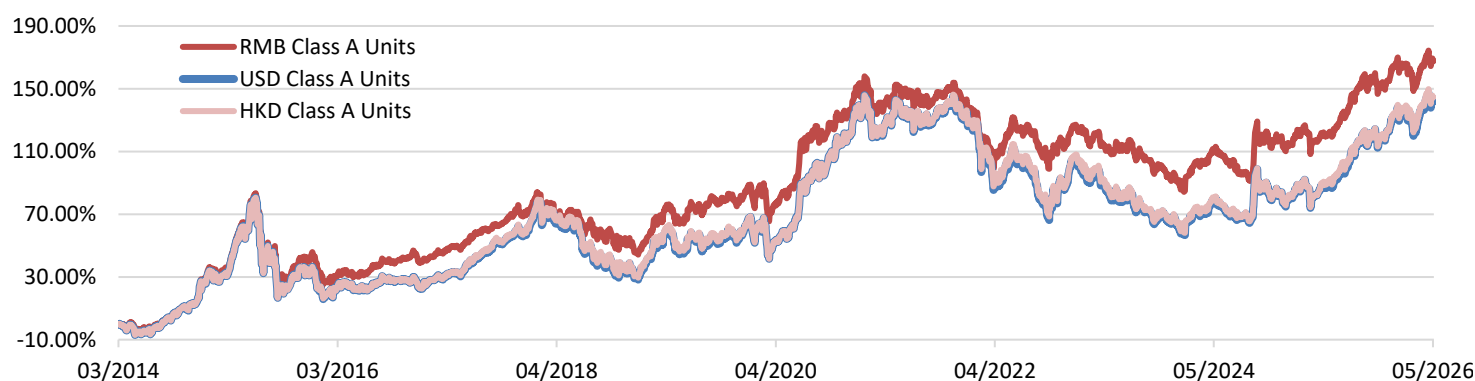
Manager	Da Cheng International Asset Management Co., Ltd.		
Launch Date	03/03/2014 (RMB Class A) / 14/11/2023 (RMB Class P Acc)		
	03/03/2014 (HKD Class A) / 14/08/2019 (HKD Class P Acc)		
	03/03/2014 (USD Class A) / 14/08/2019 (USD Class P Acc)		
ISIN	HK0000181096 (RMB Class A) / HK0000524238 (RMB Class 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
	12.55 (RMB Class A) / 13.41 (RMB Class P Acc)		
NAV	10.71 (HKD Class A) / 15.92 (HKD Class P Acc)		
	10.55 (USD Class A) / 16.16 (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) 7,689		

LATEST 4 DIVIDEND INFORMATION

Classes	Dividend per Unit	Annualized Yield ⁶	Record Date
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
RMB Class A Units	RMB 0.08	7.66%	15/5/2026
USD Class A Units	USD 0.07	8.02%	15/5/2026
HKD Class Unit	HKD 0.07	7.89%	15/5/2026

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	4.82%	-0.16%	0.90%	6.64%	21.76%	28.44%	5.96%	101.48%	167.35%
USD Class A Units	8.25%	0.77%	2.34%	11.57%	29.62%	35.37%	-0.17%	96.38%	142.01%
HKD Class A Units	8.98%	0.75%	2.40%	12.18%	29.41%	35.34%	0.78%	98.06%	144.56%
RMB Class P Units Acc	4.85%	-0.15%	0.90%	6.68%	21.80%	N/A	N/A	N/A	34.10%
USD Class P Units Acc	8.17%	0.75%	2.21%	11.45%	29.49%	35.12%	-0.37%	N/A	61.60%
HKD Class P Units Acc	8.89%	0.82%	2.38%	12.19%	29.43%	35.14%	0.57%	N/A	59.20%

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

FUND MANAGER'S COMMENTARY

In May, major A-share indices showed mixed performance, with the Shanghai Composite Index down by 1.06%, and the CSI 300 Index and the ChiNext Index up by 1.76% and 9.81%, respectively. By sector, telecommunications, electronics, and utilities led the gains, while petroleum and petrochemicals, agriculture, as well as iron and steel recorded the largest declines.

In terms of macroeconomics, following Q1's strong start to the year, short-term economic data weakened marginally. The Manufacturing PMI edged down by 0.3 percentage points month-on-month to 50.0% in May. Pressure resulting from energy and raw material shortages caused by geopolitical tensions has been gradually felt in the industrial production sector. Consequently, value-added industrial output of enterprises above the designated size grew by 4.1% year-on-year in April, down 1.6 percentage points from the previous month. Meanwhile, industrial upgrading continued apace. Value-added output from high-tech manufacturing enterprises above the designated size increased by 12.8% year-on-year in April, up 1.1 percentage points from March. Total retail sales of consumer goods grew by 0.2% year-on-year in April. Export growth remained strong. As holiday-related distortions subsided and external demand stayed robust, China's exports expanded by 14.1% year-on-year in April. Overall, ongoing price recovery and the stabilization and improvement of corporate earnings are expected to support marginal improvements in household income and domestic consumption. However, these positive signals have yet to translate into the real economy, and the recovery process remains lagging. As such, subsequent developments warrant continued monitoring. On the policy front, the People's Bank of China emphasized in its Q1 Monetary Policy Implementation Report that it would continue its appropriately accommodative monetary policy stance in the next phase. In addition, the State Council issued the Urban Renewal Plan for the 15th Five-Year Plan Period, establishing concrete and quantifiable urban renewal targets during that period, supporting expectations of a sustained roll-out of relevant policy incentives. Globally, U.S. 10-year Treasury yield briefly breached 4.6% in the first half of May before retreating later in the month as market expectations for further Federal Reserve policy tightening moderated. Easing geopolitical tensions, coupled with declining oil prices, should lower the likelihood of Federal Reserve rate hikes this year. As prevailing market expectations appear to have over-priced the probability of further Fed tightening, there remains scope for U.S. 10-year Treasury yield to decline further.

Looking ahead, external risk factors may influence market risk appetite. Nevertheless, the underlying resilience of the Chinese economy is expected to provide firm support. Against this backdrop, the A-share market is likely to remain stable, with market style skewing toward large-caps. In terms of investment strategies, a "barbell" allocation strategy balancing growth and defensive sectors is recommended. Investors are advised to pay particular attention to industries such as artificial intelligence, semiconductors and innovative pharmaceuticals for growth sectors, and finance, electricity, and food and beverage for defensive plays.

1. Source: DCI, all information as at 31 May 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 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 - BlueOnion.

IMPORTANT DISCLAIMER

This material is issued by Da Cheng International Asset Management Co., Ltd. ("DCI") and has not been reviewed by the Securities and Futures Commission. Investments are subject to investment risks, investors should not make any investment decision solely based on this document. Any opinion or estimate contained in this document is made on a general basis and is not to be relied on by investor as advice. Investors should not invest in the Fund unless the intermediary who sells it to you has explained that the Fund is suitable for you. Investor should read the Fund's Explanatory Memorandum/ Offering Document/ Product Key Facts Statement/ Risk Factors before making any investment decision. Copies of the Offering Documents can be obtained at DCI's Hong Kong Office (Tel: +852 3765 6788) or offices of the participating distributors. The value of units may go down as well as up. Past performance is not indicative of future performance. DCI, its associates or its distributors accepts no responsibility and does not guarantee the return of the Fund. DCI endeavors to ensure the accuracy and reliability of the information provided in this material and guarantee its accuracy or reliability and accepts liability for any loss or damage arising from any inaccuracies or omission.