


**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	70.19%
Fixed Income	26.87%
Cash	2.94%

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

	Equity	Fixed Income
Financials	12.83%	14.77%
Information Technology	11.23%	0.27%
Industrials	8.93%	2.55%
Consumer Staples	8.07%	2.31%
Consumer Discretionary	7.76%	0.57%
Materials	6.22%	1.73%
Health Care	6.10%	1.08%
Energy	3.69%	0.00%
Utilities	3.31%	0.00%
Communication Services	2.05%	0.00%
Real Estate	0.00%	1.05%
Government Bonds	0.00%	2.54%

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

A Shares - Main Board	50.15%
A Shares - ChiNext Board	7.01%
A Shares - Sci-Tech Innovation Board	4.95%
Hong Kong Stocks or US Listed China Stocks	8.08%

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

Securities	Sectors	%
KWEICHOW MOUTAI CO LTD-A	Consumer Staples	4.08%
CHINA MERCHANTS BANK CO LTD-A	Financials	1.94%
GREE ELECTRIC APPLIANCES INC-A	Consumer Discretionary	1.94%
ZIJIN MINING GROUP CO LTD-A	Materials	1.79%
PING AN INSURANCE GROUP CO OF CHINA LTD-A	Financials	1.69%
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	Industrials	1.56%
MIDEA GROUP CO LTD-A	Consumer Discretionary	1.40%
JIANGSU HENGRUI MEDICINE CO LTD-A	Health Care	1.31%
MENGDIAN HUANENG THERMAL POWER CORP LTD-A	Utilities	1.29%
CHINA CONSTRUCTION BANK CORP-A	Financials	1.28%

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

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
	11.36 (RMB Class A) / 10.09 (RMB Class P Acc)		
NAV	9.17 (HKD Class A) / 11.14 (HKD Class P Acc)		
	9.06 (USD Class A) / 11.33 (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) 4,730		

**LATEST 4 DIVIDEND INFORMATION**

Classes	Dividend per Unit	Annualized Yield <sup>6</sup>	Record Date
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
RMB Class A Units	RMB 0.09	9.62%	19/02/2024
USD Class A Units	USD 0.08	10.63%	19/02/2024
HKD Class Unit	HKD 0.08	10.50%	19/02/2024
RMB Class A Units	RMB 0.09	9.51%	15/03/2024
USD Class A Units	USD 0.08	10.60%	15/03/2024
HKD Class Unit	HKD 0.08	10.47%	15/03/2024

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

	Year-to-date	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	Since Inception <sup>3,4</sup>
RMB Class A Units	2.34%	0.96%	2.34%	-1.90%	-8.42%	-15.87%	18.29%	100.98%
USD Class A Units	0.36%	0.31%	0.36%	-1.28%	-13.20%	-23.94%	9.53%	69.48%
HKD Class A Units	0.57%	0.31%	0.57%	-1.26%	-13.51%	-23.45%	9.19%	71.10%
USD Class P Units Acc	0.44%	0.35%	0.44%	-1.31%	-13.25%	-24.01%	N/A	13.30%
HKD Class P Units Acc	0.54%	0.27%	0.54%	-1.33%	-13.58%	-23.54%	N/A	11.40%

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

## FUND MANAGER'S COMMENTARY

The A-share market fluctuated upward in March, due to the impact of policies taking effect and the stabilization and recovery of the economy. The Shanghai Composite Index, the CSI 300, and the ChiNext Index rose by 0.86%, 0.61%, and 0.62% respectively. In terms of sectors, non-ferrous metals, automobiles, and defense & military industries saw the largest gains, while non-bank financials, coal, and real estate saw the largest declines.

Policies continue to be implemented and the macroeconomic situation is stable. In terms of the economy, social retail sales, fixed investment, production, and exports all exceeded market expectations in the first two months, and the PMI in March surpassed expectations to reach 50.8%, returning to the expansion zone. This performance was stronger than expected, with the new export order index increasing by 5% to 51.3%, reaching a new high in nearly a year. If exports continue to strengthen, it will help alleviate the problem of excess production capacity and weak prices in the midstream and the recovery of external demand is expected to support the resilience of total demand. The macroeconomic dilemma of "strong supply, weak demand" may be marginally relieved, and short-term interest rates may stabilize and rise, with potential upward risks for prices of upstream cyclical products. In addition, although the current recovery in external demand supports manufacturing production and demand more than the construction industry, under the 5% economic growth target, fiscal policy may further increase efforts to improve efficiency, and infrastructure investment is expected to maintain high growth, which will drive the recovery of demand in the construction industry. Therefore, under policy support, the downside for demand in the construction industry may be relatively limited. In terms of policy, the State Council meeting on 22 March made arrangements for promoting the stable and healthy development of the real estate market. In the future, real estate policies may continue to be optimized. Additionally, on 15 March, the China Securities Regulatory Commission issued several policy documents covering issues such as issuance and listing access, and supervision of listed companies, which will help boost market confidence.

Looking ahead, many economic data points have consistently exceeded expectations, indicating that corporate profits are expected to continue to improve. A-shares may turn in a better-than-expected performance during the earnings verification period, becoming the main driving force for the market's upward trend. Furthermore, the low domestic interest rate environment may help boost A-share valuations. Against the backdrop of accelerated economic recovery, market style may lean towards pro-cyclical sectors. The foundation should be built on high-dividend assets, while also allocating to cyclical sectors to construct a portfolio that is both offensive and defensive. High-dividend themes include industries such as banking and coal, while pro-cyclical sectors include non-ferrous metals, building materials, and household appliances.

1. Source: DCI, all information as at 31 March 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 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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