

Portfolio Manager



Portfolio Manager:

Jienan Lao

Managed since:

2015

Joined Firm:

2010

Fund Information

Bloomberg Ticker	FZMCHCD CH
Fund Ticker	519069
Custodian	ICBC
Inception Date	2009/01/23
Benchmark	CSI 300×80% + SSE Government Bond Index×20%
Currency	CNY
Total Assets	RMB 9.05 billion (USD 1.28 billion ^[1])
Management Fee	1.2% ^[2]

Calendar Year Return

	Fund Return	Benchmark Return	CSI 300 Total Return
2009	63.60%	58.09%	76.55%
2010	10.29%	-9.12%	-11.58%
2011	-21.69%	-19.67%	-24.05%
2012	18.79%	7.04%	9.80%
2013	13.51%	-5.30%	-5.33%
2014	38.24%	41.16%	55.85%
2015	64.57%	6.98%	7.22%
2016	-4.53%	-8.16%	-9.26%
2017	28.31%	17.32%	24.25%
2018	-13.83%	-19.66%	-23.64%
2019	40.20%	29.43%	39.19%
2020	47.57%	22.61%	29.89%
2021	-4.59%	-3.12%	-1.68%
2022	-28.14%	-16.61%	-19.53%
2023	-17.06%	-8.40%	-9.14%

Source: Wind, CUAM, as of Dec 31, 2023

Notes: Performance data is in RMB and net of fees.[1] The exchange rate of US dollar to RMB is the end-of-month rate from PBoC which was 7.0827; [2] 1.2% refers to management fee for mutual funds. The management fee for segregated account varies. The performance data quoted represents past performance; it does not guarantee future results.

Objective and Risk & Return Profile

- The investment objective is to provide long-term capital appreciation to investors through active management of a portfolio of equities. The strategy aims to identify undervalued companies with high quality and long-term growth prospects, and manage risks through cautious stock selection based on in-depth fundamental analysis and relatively balanced sector allocation.
- The strategy is striving for consistently relative performance in the 20th-40th percentile instead of seeking single-year greatness, and decent absolute return in the long term. The strategy gains higher excess returns through low to medium risk exposure. We pay great attention to the portfolio's beta, fluctuation, maximum drawdown and liquidity.

Investment Strategy

- The strategy seeks long-term capital appreciation by mainly investing in two kinds of stocks:
- **Value stocks: mean reversion & contrarian investment.** Companies operating in mature industries with a stable competitive landscape and limited growth prospects, having been undervalued but maintaining solid fundamentals – we will invest in such stocks until there's a mean reversion of their valuation. And companies within industries experiencing a down cycle which drives down their valuations – we will buy in and hold them patiently until their industries turning into an up-cycle and their valuations returning to a reasonable level. We also invest in
 - **Stocks with steady & sustainable growth but insufficiently valued.** Companies with dominant positions in industries with good prospects, whose business models enjoy a deep moat, and who keep enhancing their competitive advantages over peers. These companies have maintained steady growth with sustainable development potential. When their valuation does not fully reflect their future growth potential, we take the opportunity to make long-term investment, gaining excess returns by sharing the fruit of their fast growth in the long run.

Average Annual Total Return

	One Year	Three Years	Five Years	Since Inception
The Fund (Annualized)	-17.06%	-17.15%	3.30%	11.92%
Benchmark (Annualized)	-8.40%	-9.64%	3.20%	3.97%
CSI 300 Total Return (Annualized)	-9.14%	-11.09%	4.90%	5.58%

Historical Excess Return

Fund Performance (in USD) vs. Market Index & Benchmark



GICS Sector Allocation

Sector	of Net Asset
Financials	15.85%
Consumer Staples	15.58%
Energy	15.14%
Industrials	12.72%
Materials	5.03%
Information Technology	4.09%
Health Care	3.63%
Utilities	3.12%
Real Estate	2.76%
Consumer Discretionary	2.67%
Communication Services	0.53%

Top Ten Holdings

Stock Name	of Net Asset
Kweichow Moutai	7.34%
Shandong Hualu-Hengsheng Chemical	3.50%
YTO Express Group	3.49%
Zijin Mining Group	3.37%
Agricultural Bank of China	3.01%
Luxshare Precision Industry	2.98%
China Construction Bank	2.97%
China Merchants Bank	2.91%
CATL	2.78%
Jiangsu Hengrui Medicine	2.46%

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