


## ChinaAMC Industry Select Fund (LOF)

Fund Code  
160314

Category  
Aggressive Allocation  
Fund

Morningstar Style Box  


Morningstar 3 Year  
Rating  
★★★

Report Date 2016-10-31

### Investment Objective

Under the value investment guidelines, with the understanding of economy development and market trend, the Fund will search for staged investment opportunities and quality individual stocks along the industry cycle and seeks to raise long-term capital gain

### Portfolio Manager

SUN Bin holds a master's degree of Finance from Renmin University of China. In July 2007, he joined ChinaAMC and served as an industry research analyst, assistant head of investment research department, assistant portfolio manager, deputy head and head of investment research department, portfolio manager of China AMC Large Cap Selected Securities Investment Fund (from September 23, 2013 to February 27, 2015), etc.

### Portfolio Manager's View

According to our outlook for the next quarter, there are still somewhat risk factors such as the US presidential election, but they are controllable overall. The domestic economy will see resilience as the increasing property sales volume intensifies de-cyclical, prompting the expectation that future real estate investment remains in a sizable amount and that there are still room for further fiscal stimulus. Yet there are potentially some noteworthy problems, for example, fast increased residents leverage, property prices climbing with sales volume tumbling, investment growth vastly reliable on government organization and the prospect of China bogged in severe climate of foreign trade and diplomacy being affected by turbulent global politics and economy.

The profit growth of industrial enterprises will somewhat improve. But insufficient total demand in couple with halfway overcapacity reduction will result in small likelihood of further significant improvement in profits; from the perspective of valuation, mid-cap and small-cap stocks are still highly valued, and large-cap blue-chip stocks are reasonably valued. Influenced by the de-leverage policy, the comprehensive risk-free interest rate of society is still likely to run downward despite small downward pressure of interest rates with all types of maturities. Under circumstances where housing prices are high and the bond market income is limited, the phenomenon of "assets shortage" will continue to exist. Once the market is adjusted, over-the-counter capital may flow into the market. Yet as demand is free of upward elasticity and no fundamental reform is launched so far, investors are not well-motivated to form the expectation of continual and upward earnings cycle. Valuation will fail to fundamentally drop, and the impetus to break through upward in the market is inadequate. We estimate that the market will still maintain a fluctuation pattern, and that discounted assets and assets with stable returns will still be in the pursuit of investors. Based on the above judgment, we need to pay attention to the following three risks: 1) If quickly rising real estate prices trigger severe regulation and control, the market might have to stomach the consequences; 2) If exchange rate fluctuates in Q4, temporary disturbance might come along 3) Potential domestic incremental capital might be diverted after the launch of Shenzhen-Hong Kong Stock Connect as institutional investors have more choices of investment targets. In a turbulent market, we will continue to seek various certainties to generate steady return.

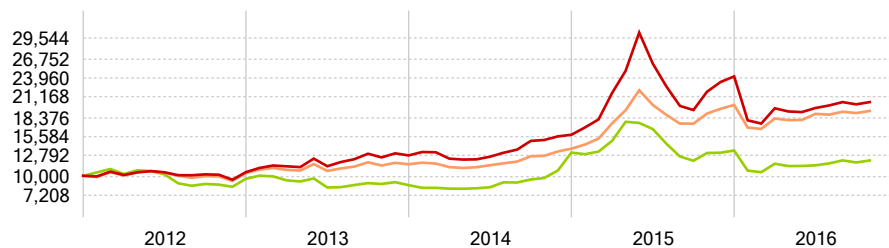
We cherish every trust and investment of our fund unitholders. The Fund will always abide by the values of "Our Performance Your Trust" of China AMC, through standardized operation, prudent investment, and diligent pursuit of long-term and stable return for unitholders.

### Risk & Rating

Rating	Geometric Mean	Morningstar Risk	Morningstar Rating
3 Years	--	Below Average	★★★
5 Years	3.37%	Below Average	★★★
<b>MPT(3 Year)</b>			
Mean Return			1.78%
Standard Deviation			31.81%
Sharpe Ratio			0.61%
Alpha			9.37%
Beta			0.79%
R-squared			49.44%

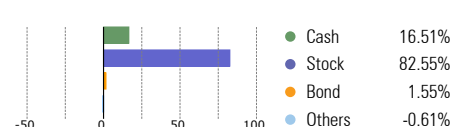
**Note:** Benchmark is CSI 300 CNY X 80% + SSE Government Yd CNY X 20%

### Performance History 2016-10-31



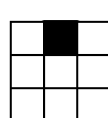
Trailing Return	Total Return(%)	+/- 1dx(%)	+/- 1cat(%)
YTD	-15.16%	-4.69%	-4.03%
6 Months	7.00%	-0.02%	-0.31%
1 Year	-6.73%	1.34%	-5.40%
2 Years(annualised)	16.54%	4.35%	-2.97%
3 Years(annualised)	17.58%	6.23%	-0.17%
5 Years(annualised)	13.07%	10.86%	2.03%
Since Inception	60.78%	--	--

### Asset Allocation 2016-09-30



**Asset Allocation:** Asset allocation of Morningstar is calculated on the basis of net assets. "Others" equals to the difference between net asset and stock, bond & cash, reflecting the difference between asset items (excluding equities, fixed incomes, bond deposits and settlement provisions) and liabilities. "Others" in negative indicates that the fund has employed certain leveraged financing.

### Morningstar Style Box 2016-06-30



#### Style Box

Style: Balanced  
Size: Large

NAV (2016-10-31):	1.0240(Yuan)
Accumulated NAV (2016-10-31):	6.1620(Yuan)
Total Net Asset (2016-09-30):	3.22(Billion Yuan)
Inception Date:	2007-11-22
Base Currency:	Yuan Renminbi
Manager:	SUN Bin
Fund Company:	China Asset Mgmt Co., Ltd
Hotline:	+86 10 88066688
Website:	www.chinaamc.com

#### The Highest Sales Fee

Subscription Fee	1.50%
Redemption Fee	0.50%
Initial Investment	
Initial Investment	1,000(Yuan)
Additional Investment	1,000(Yuan)
Operation Fee	
Management Fee	1.50%
Custodian Fee	0.25%

### Summary of Portfolio Holdings 2016-09-30

Top 10 Holdings - Equity	NetAsset
Tianli Environmental Engineering Co Ltd	2.57%
Nanfeng Pump Industry Co Ltd	2.03%
Yango Group Co Ltd	1.93%
China Minsheng Banking Corp Ltd	1.54%
Beijing Originwater Technology Co Ltd	1.51%
Changchun Department Jituan Store Co Ltd	1.39%
Hubei Hongcheng General Machinery Co Ltd	1.29%
Jiangsu Dagang Co Ltd	1.28%
Dehua Tb New Decoration Material Co Ltd	1.27%
Suzhou Dongshan Precision Manufacturing Co Ltd	1.26%

Top 5 Holdings - Bond	NetAsset
16 Agricultural Development Bank of China 01	1.55%

### GICS Sector 2016-09-30

Sector Name	Equity NetAsset	NetAsset
Consumer Staples	12.20%	10.07%
Consumer Discretionary	15.42%	12.73%
Energy	2.74%	2.26%
Financials	7.82%	6.46%
Health Care	5.12%	4.23%
Industrials	26.54%	21.91%
Information Technology	8.08%	6.67%
Materials	9.78%	8.07%
Real Estate	9.54%	7.87%
Telecommunication Services	0.08%	0.07%
Utilities	2.66%	2.20%
Others	0.02%	0.01%