

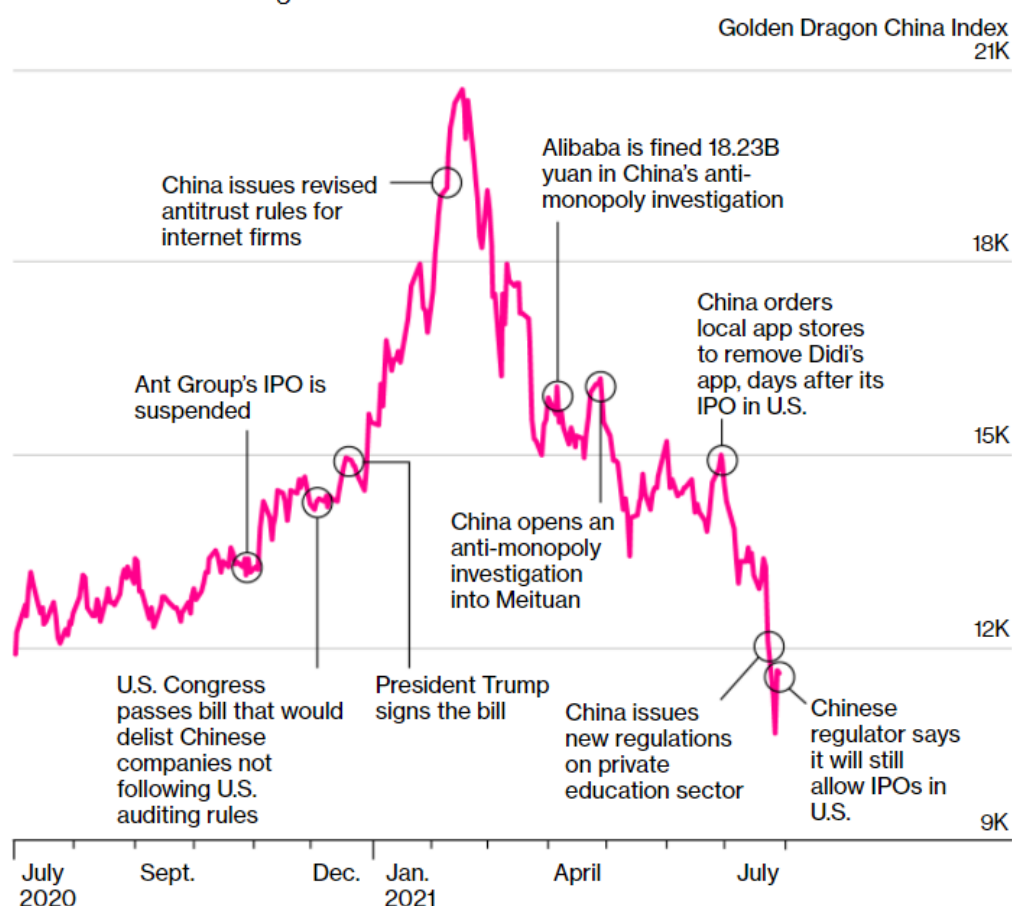
Fund in Focus: JP Morgan China A-Share Opportunities Fund

All data as of end July 2021 unless otherwise stated

- China widened its tech crackdown in end July, unveiling an overhaul of the tech education sector, leaving affected companies scrambling to pivot their business to survive under the new rules. Under the new regulations, companies that teach the school curriculum from making profits, raising capital, and going public, The regulatory overhaul sparked widespread fears amongst investors that the crackdown would soon spread to other sectors.
- The NASDAQ Golden Dragon China Index, which comprises of companies whose common stock is publicly traded in the United States whose main economic activity is in China, have lost 24.8% of its value from the beginning of the year to end July 2021.
- We believe that even though, Chinese companies could face headwinds in the short term, eventually the crackdown on China's big tech companies will wind down.

Tech Trauma

A crackdown from regulators has hammered China's tech stocks



Source: NASDAQ Golden Dragon China Index via Bloomberg

Our Recommended Fund: JP Morgan China A-Share Opportunity

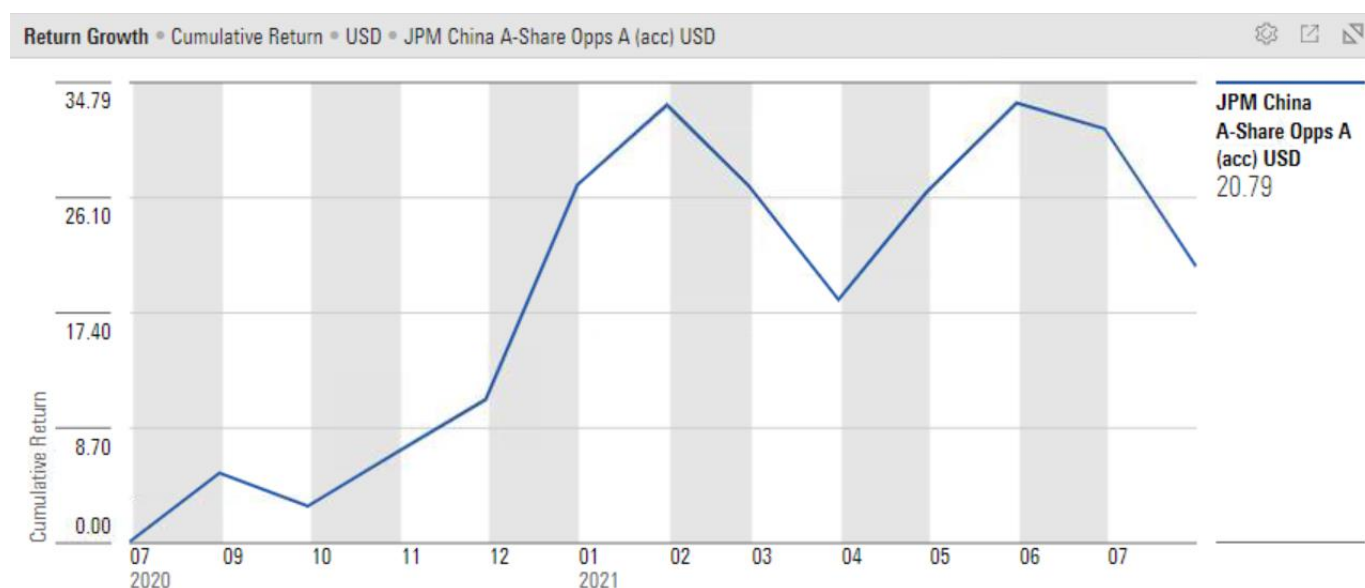
Category	Fund Size	Past Performance	
China Equity – A shares	USD 8,051.8 million	JPM China A-Share Opportunities A (acc) - USD	CSI 300 (Net) - USD
Inception Date	Included under CPFIS	1 month	-7.9
11 September 2015	OA: No SA: No SRS: Yes	3 months	-4.4
		1 year	20.8
		3 years p.a.	25.7
		5 years p.a.	19.4
		Since Launch p.a.	16.8
			8.2

As of end July 2021

Multi-sector diversification. The fund is diversified across 8 main sectors, providing protection to investors worried on the short term regulatory crackdown. 21.3% is allocated to the industrials sector which is positioned to prosper as the wider economy recovers from the coronavirus-led recession.

Tap into long-term structural trends. Consumption upgrades, technology innovation, and healthcare provision deepening remain key long-term growth drivers. In all, the fund has a total of 59.7% allocated to these sectors – Information Technology (21.8%), Consumer Staples (15.3%), Consumer Discretionary (9.6%), and Healthcare (13.0%)

High conviction, growth oriented approach. The fund focuses on identifying 50-70 high quality companies listed on the Shanghai and Shenzhen stock exchanges to capture long-term capital growth. The strategy takes into consideration all capitalizations.



The JPM China A-share Opportunity fund has lost -4.84% year-to-date to end July. Its largest drawdown in the past 1 year was -11.06% occurring from the beginning of February to end March. Nonetheless, the fund has still recorded a 20.8% cumulative return over the past 1 year to end July 2021.

Source: Morningstar, as of end Jul 2021

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