Guinness Atkinson

China & Hong Kong Fund

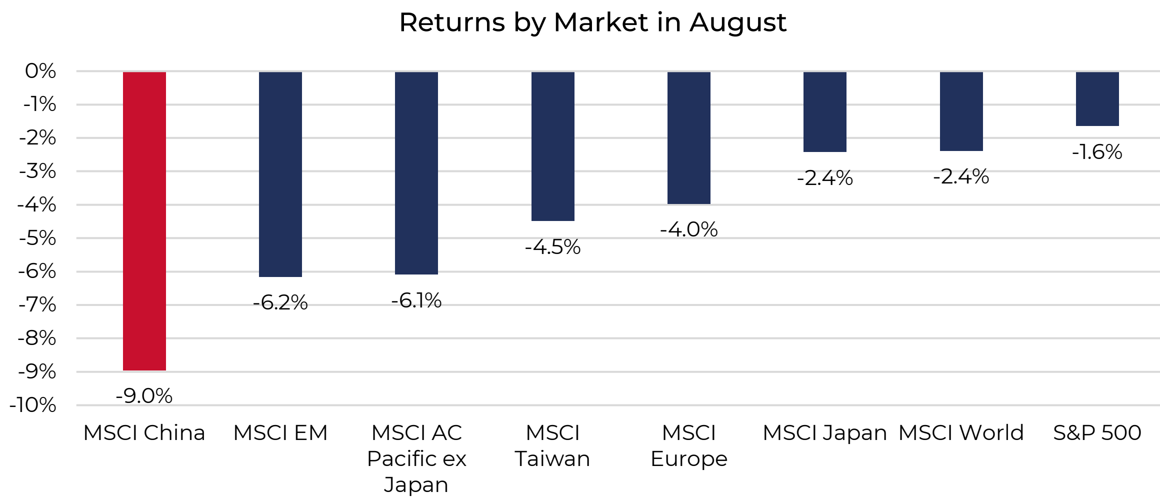
Managers' Update – Review of August 2023

Summary View

- We believe that talk of the collapse of China's financial system is unwarranted. Markets are to an extent pricing in this scenario, whereas we argue China has the capital in place in the banking system to absorb losses arising from the property market and wider economy. Therefore, if markets are pricing in for a scenario which we think is unlikely, then this is an opportunity for investors. The China and Hong Kong Fund is trading on a forward year price earnings ratio of 13.4x which is close to two standard deviations below the current holdings 10-year historic average. This valuation does not appear often for the high quality, compounding stocks we hold in the Fund.

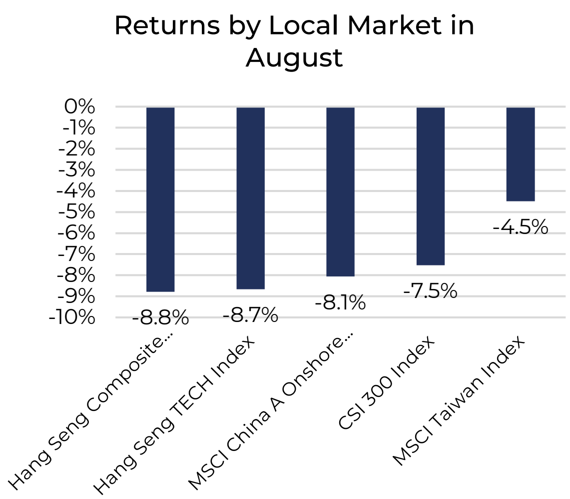
Market Commentary

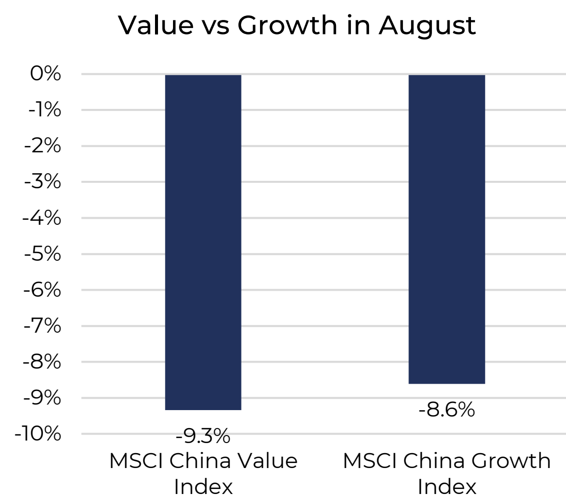
(Performance data in the section in USD terms unless otherwise stated)



(Data from 07/31/23 to 08/31/23, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

After rallying 10.8% in July, the MSCI China Index fell 9.0% in August, underperforming the MSCI World Index, which fell 2.4%.





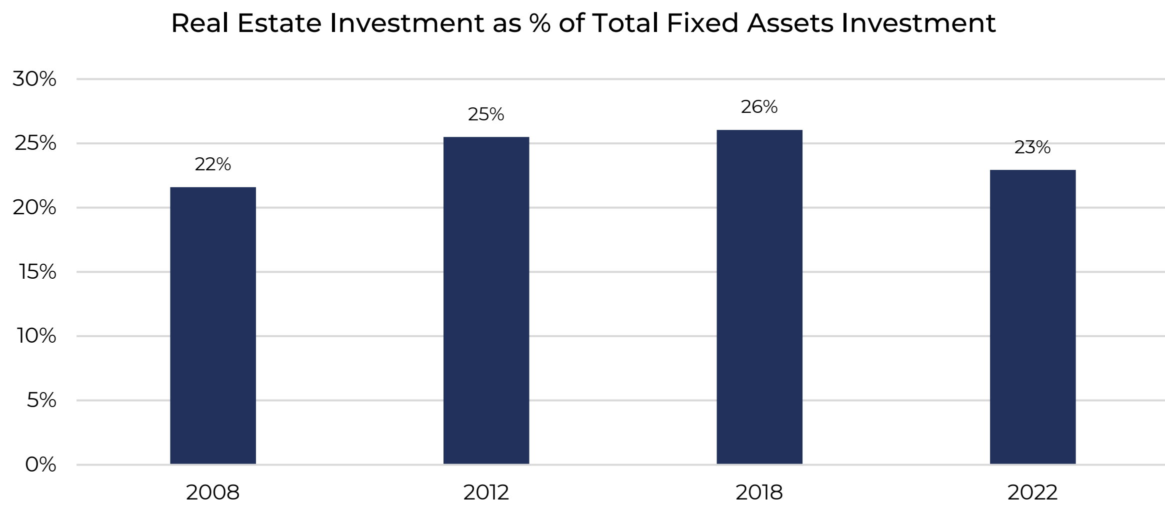
(Data from 07/31/23 to 08/31/23, returns in USD, source: Bloomberg, Guinness Atkinson calculations)

Offshore markets, as measured by the Hang Seng Composite Index, fell by 8.8% in August. Onshore markets, as measured by the MSCI China A Onshore Index, fell by 8.1%. Value and growth performed similarly in August, with the MSCI China Value Index falling 9.3% and the MSCI China Growth index falling 8.6%.

Macro Commentary

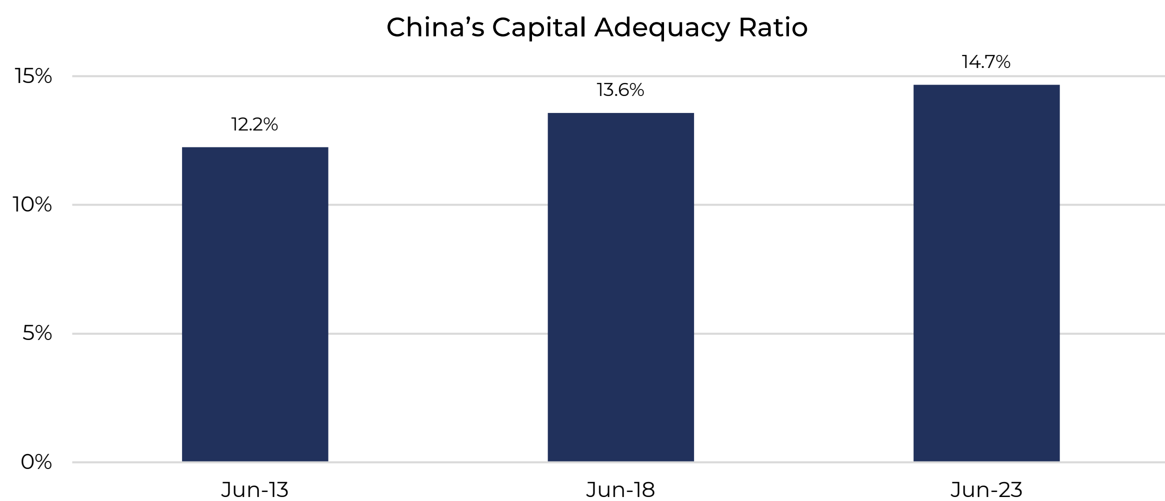
We believe policymakers' goal is to make China transition from a middle income to a high-income economy. The underlying plan behind this is to create a new industrial future, by creating pillar industries in which the Chinese have competitive advantages globally. Some of these pillar industries include electric vehicles, renewable energy, industrial automation, pharmaceuticals & medical devices as well as artificial intelligence.

This economic transition a significant change to be made to the property business model in China. Currently, real estate accounts for ~20% of GDP and 23% of capital investment. For China to achieve its long-term goal of becoming a high-income economy, the share of capital and resources absorbed by residential real estate development needs to be freed up and directed towards the pillar industries that can create long term value and wealth for China.



(Data from 2008 to 2002, source: National Bureau of Statistics, Guinness Atkinson calculations)

This transition will be painful for some. Losses in some of the existing stock of property are inevitable and are likely to lead to stresses across the economy, but we believe China can afford this. We estimate the banking system to have CNY 231 tn in loans, backed by CNY 33 tn of capital reserves. The capital adequacy ratio of the banking system (capital/risk weighted assets) is 14.7%, well above the Basel III minimum of ~10%.

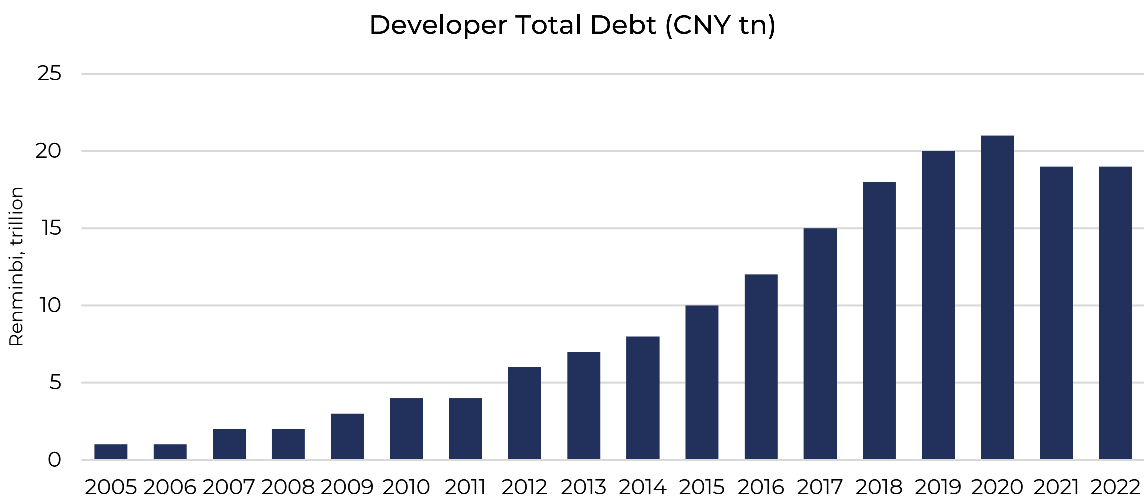


(Data from Jun-13 to Jun-23, source: Bloomberg, Guinness Atkinson calculations)

As a system wide stress test on the banking system's total loans of CNY 231 tn and capital reserves of CNY 33 tn, we make the following assumptions. We assume a non-performing loan (NPL) ratio of 10%, implying bad loans of CNY 23 tn. To be conservative, we make an aggressive assumption of a loss rate of 40%, leading to expected losses of CNY 9.2 tn. After deducting expected losses, this leaves remaining capital of CNY 23 tn i.e. a capital adequacy ratio of above 10%. Much of the commentary of China only talks about the losses while ignoring the capital that has been built up over the years, with the purpose of absorbing these losses.

While we argue the banking system as a whole can absorb system wide losses, we acknowledge that the larger banks are better capitalized than the smaller banks. We think there is a non-trivial probability that a few small banks fail, which are likely to dominate the headlines and lead to more talk of contagion within China's financial system. In this scenario we would expect the large banks, with their larger capital reserves, to acquire the small banks.

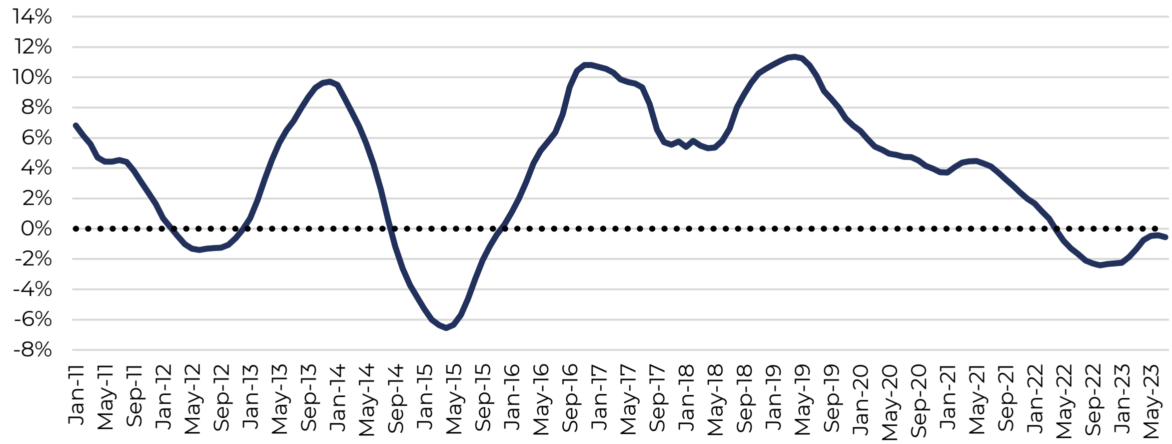
We think much of the commentary on China's property market fails to give enough context. China's real estate downturn is not random; instead it is driven by the government's "Three Red Lines" policy. This policy was introduced in 2020 with the aim of reducing the economy's dependence on real estate and lowering the amount of debt within the sector. The policy limited the amount of debt property developers could hold, while also limiting the use of pre-sale funds to fund further growth. The measures crippled the business model of the likes of Evergrande. As a result of the "Three Red Lines" policy, total property developer debt has fallen from CNY 21tn in 2020 to CNY 19tn today.



(Data from 2005 to 2022, source: Goldman Sachs, Guinness Atkinson calculations)

Private property developers' previous business model, which relied on debt and pre-sales funds to drive future growth, no longer works. Property prices have been falling - below we show the longer term price changes in the largest 70 cities in China. We can see that in this cycle, prices peaked in 2022 and have been falling since, though the decline has narrowed recently. Given that property accounts for ~60% of household wealth in China, a higher rate than many developed countries, a decline in prices in China has a significant impact on consumer confidence and spending.

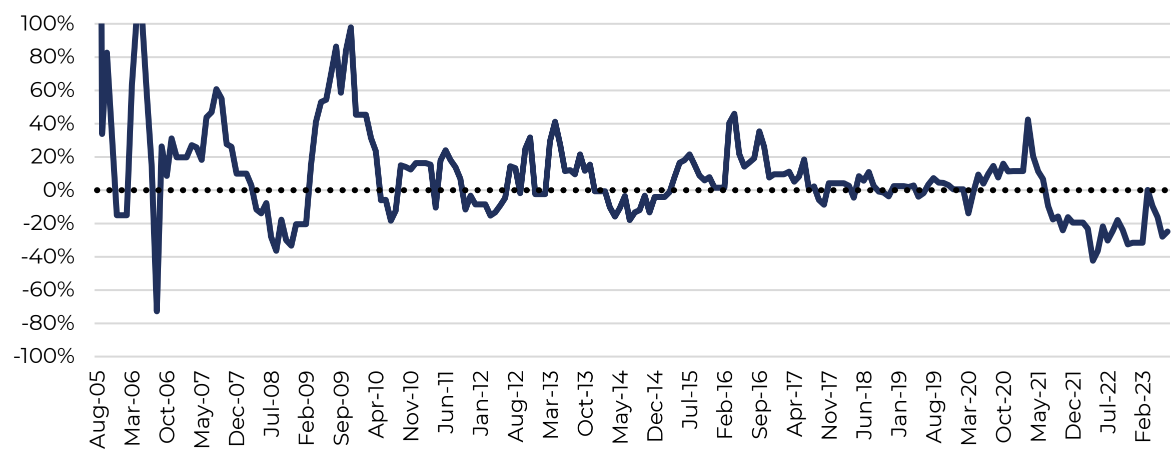
Price Change in Primary Market for Residential Buildings (70 Cities)



(Data from 01/31/11 to 07/31/23, source: Bloomberg, Guinness Atkinson calculations)

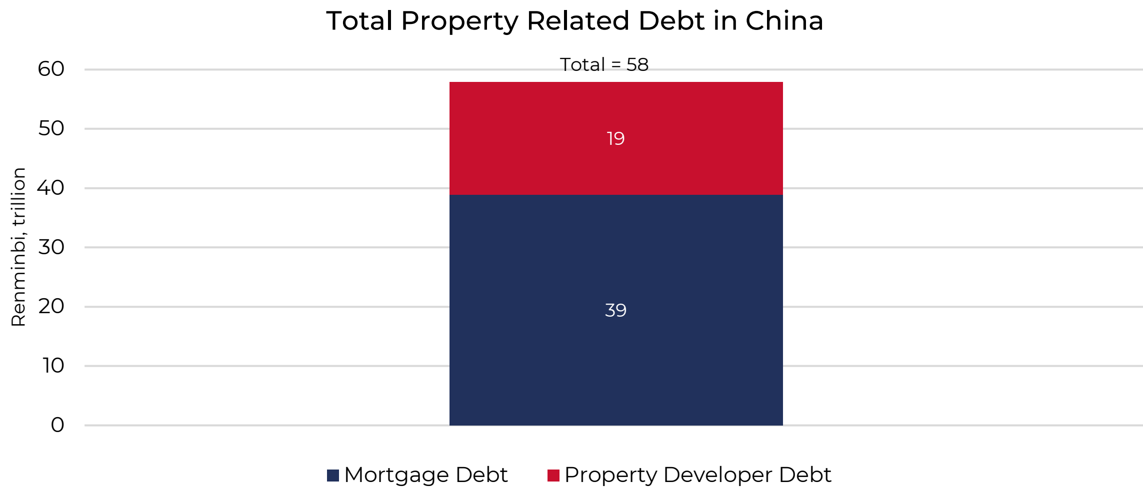
While the fall in prices has been moderate, volumes have fallen by much more. In Jul-23, floor space of residential property sold fell by 25% on a year-on-year basis. Since 2021, volumes have been consistently falling.

Year-on-Year Change in Floor Space of Residential Buildings Sold



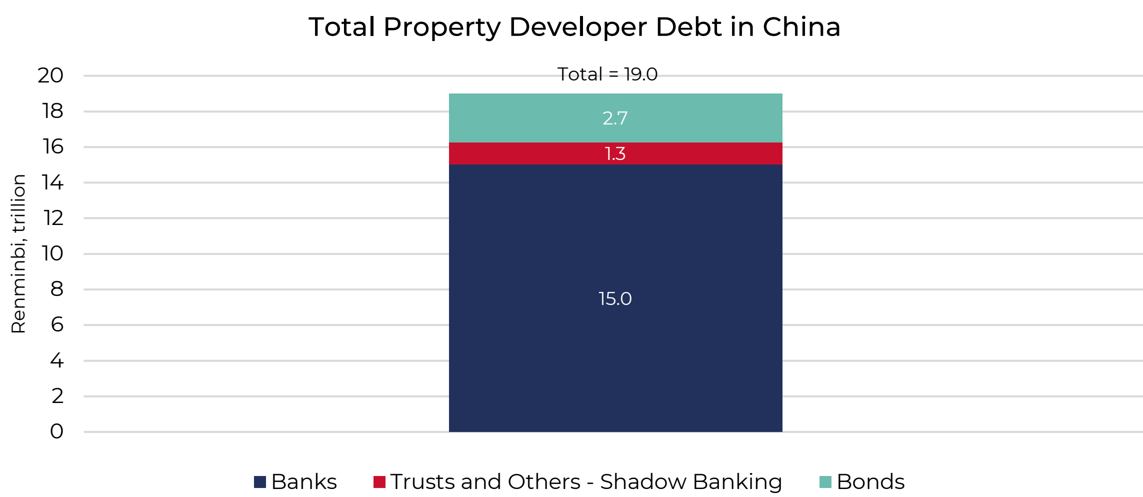
(Data from 08/31/05 to 07/31/23, source: Bloomberg, Guinness Atkinson calculations)

In China we estimate there to be CNY 58tn of property debt, of which CNY 39 tn is mortgage debt and CNY 19 tn is property developer debt. Of the mortgage debt, we see no signs of major stress. Mortgages are full recourse, meaning the banks can claim lenders' assets in event of repayment. Mortgage rates have been cut, with the five-year loan prime rate now at 4.2%. Borrowers are able to refinance existing loans at lower rates. Ultimately, the stresses in the property market lie with the property developers.



(Data as of Mar-23, source: People's Bank of China, Goldman Sachs, Guinness Atkinson calculations)

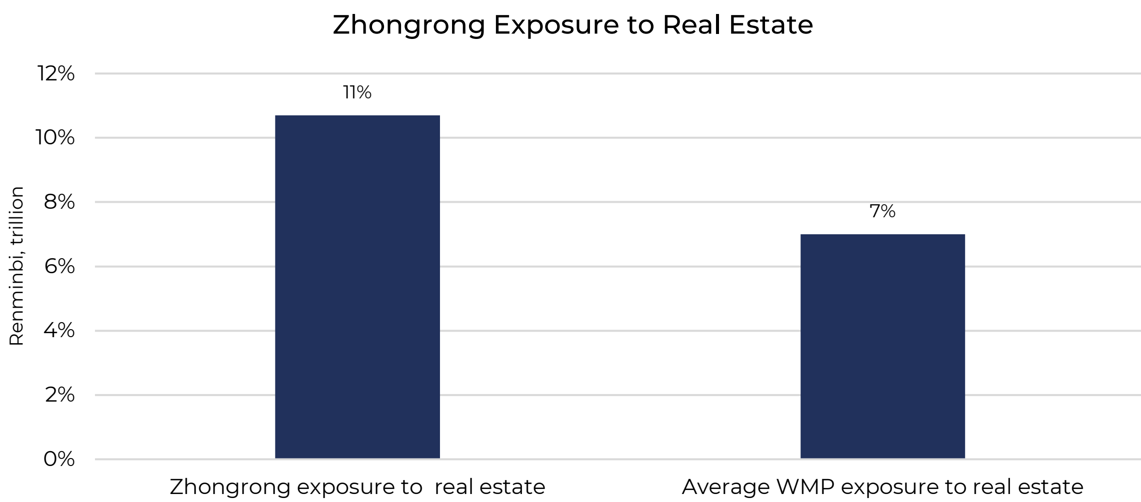
Of the CNY 19.0 tn of property developer debt, we estimate CNY 15.0 tn is owed to the banks (i.e. 79% of total developer debt). A further CNY 1.3 tn is owed to the trusts/wealth management products/shadow banking sector (7% of the total) and CNY 2.7 tn of debt is in the form of bonds (14% of the total). While news of missing bond repayments and trust products failing dominate the news, actually it is the bank debt which represents the bulk of property developer debt and so the main source of risk.



(Data as of Mar-23, source: People's Bank of China, Goldman Sachs, China Trustee Association, Guinness Atkinson calculations)

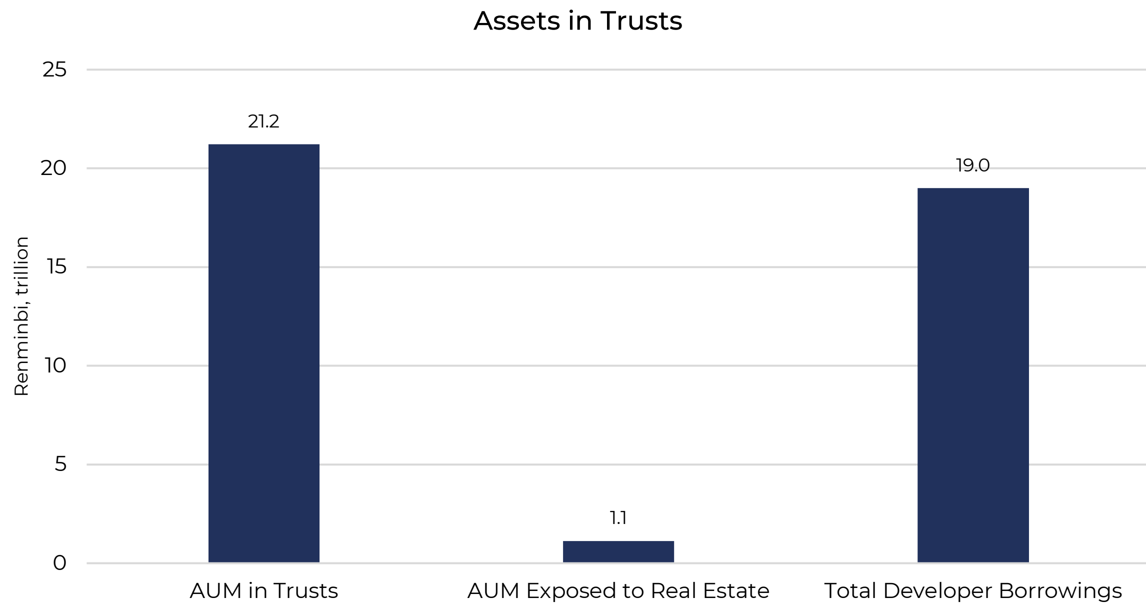
On the total property developer debt of CNY 19 tn, we can test for the implications of a significant downturn. Assuming a 50% NPL ratio results in bad debt of CNY 9.5 tn. Assuming an 80% loss rate results in expected losses of CNY 7.6 tn. The banking system's capital of CNY 33 tn is high enough to absorb these losses in this aggressive scenario, and its remaining capital adequacy ratio would still be above 10%.

Moving onto the trusts, many saw in August that the trusts/wealth management products run by Zhongrong Trust (owned by Zhongzhi Group) were not paying back their customers. These trusts are credit funds, lending to those who would struggle to obtain funds from the conventional banking system. Buyers of these trusts find them attractive for the higher interest rate offered, reflecting the risk profile of the underlying customers. We point out that Zhongrong's 11% exposure to real estate was much higher than the average trusts' exposure of 7%. Zhongrong's assets exposed to real estate are CNY 67 bn, worth 0.3% of the trust industry's total assets under management.



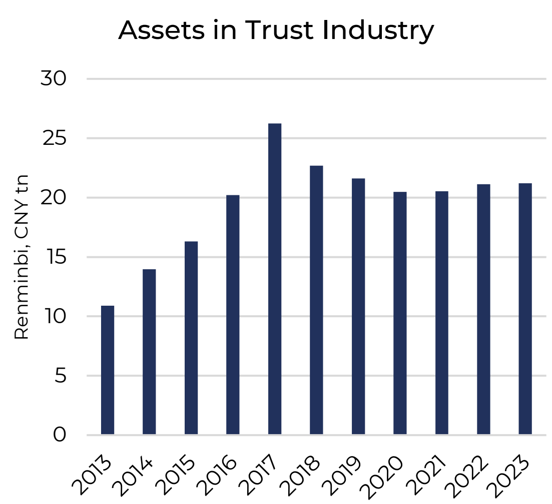
(Data as of Aug-23, source: JP Morgan)

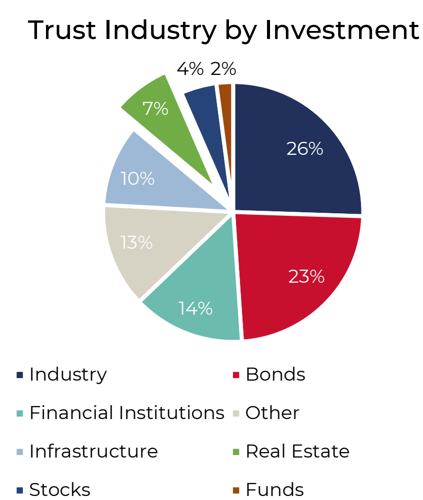
For greater context, according to the China Truste Association, the assets under management (AUM) of the industry was CNY 21.2 tn as of Mar-23. The industry has CNY 1.1 tn of exposure to real estate, not far off our estimate of CNY 1.3 tn of exposure, the difference presumably being AUM not captured by the China Truste Association.



(Data as of Mar-23, source: China Trustee Association, Guinness Atkinson calculations)

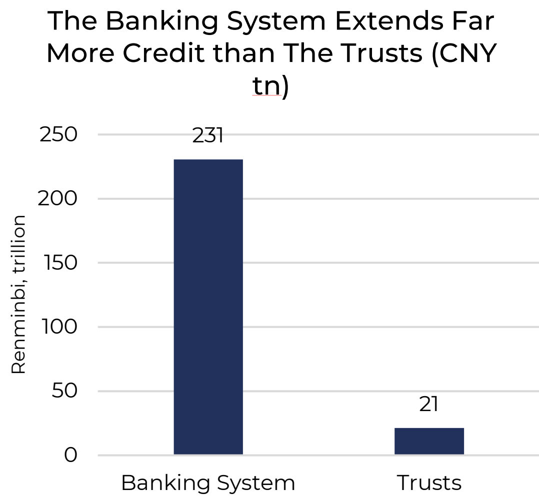
The government has reigned in the trust industry, as total AUM has fallen from CNY 26.2 tn in 2017 to CNY 21.2 tn. As of Mar-23, 7% of the industry's AUM was invested in real estate.

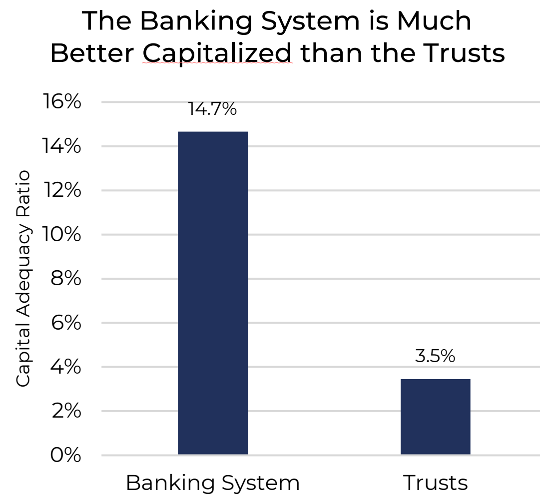




(Data as of Mar-23, source: China Trustee Association, Guinness Atkinson calculations)

Overall, we think the trust sector is not a source of systematic risk. The trust sector's AUM of CNY 21tn is a fraction of the CNY 231 tn of loans from the banking sector. China's financial system is to fail, the failure must come from the banks. However, we acknowledge the trust sector is not as well capitalized, with an estimated capital adequacy ratio of 3.5% compared to 14.7% for the banking system. We believe it there is a decent probability that more trust products will fail, but given the relatively small size of the sector it represents little systematic risk.

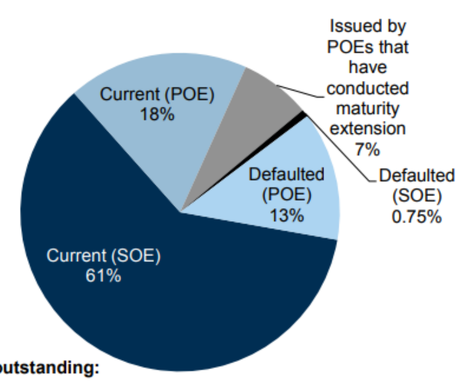




(Data as of Mar-23, source: China Trustee Association, Guinness Atkinson calculations)

For bonds, we split the market into onshore and offshore. We estimate CNY 1.4 tn of onshore bonds versus CNY 1.3 tn of offshore bonds, in total accounting for 14% of property developer debt. Within the onshore market, 61% of the outstanding debt is from state owned enterprise (SOE) developers. Less than 1% of SOE onshore debt has defaulted, given that they are relatively conservatively financed. The remaining 39% of onshore bond debt is from private developers, of which approximately half have defaulted. Within our definition of default, we also include those property developers that have extended the maturity of their bonds.

Around half of Privately Owned Enterprise (POE) onshore property bonds are from issuers that have either defaulted or conducted maturity extensions.
Default status for China property onshore bonds



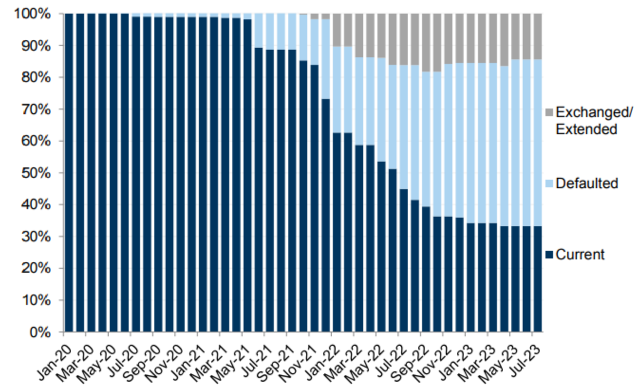
Total notional outstanding: RMB 1,415bn

Source: Wind, Goldman Sachs Global Investment Research

(Data as of July-23, source: Goldman Sachs)

In the offshore market, nearly 2/3 of the bonds have now defaulted. Back in 2020, non-defaulted bonds were worth $160bn versus only $53bn today.

Exhibit 1: Around 70% of China property bonds from issuers that have either defaulted or have conducted bond exchanges
Default status for China Property USD bonds



Source: Bloomberg, Goldman Sachs Global Investment Research

(Data as of Aug-23, source: Goldman Sachs)

In August, the macro data was generally better than expected even though the most recent policy easing has not had time to take effect. In August, industrial production grew 4.5% which was higher than the consensus expectation of 3.9%. Retail sales grew 4.6%, higher than the consensus estimate of 3.0%.

A few months ago, the Politburo put out vague statements indicating the need to stimulate growth, but very few concrete policies immediately followed. We think that given the easing over the past month, we can now say specific measures are being rolled out to support the economy, a vital step if China is to navigate the economic transition that is underway. Policymakers have cut short-term interest rates and required reserve ratios. Households holding mortgages are now able to refinance at lower rates. Downpayment ratios have been lowered significantly. The definition for the first home has been relaxed so more households are eligible for cheaper mortgages, which should practically benefit the tier one cities. Tax deductions have been increased for childcare and elderly care, which should lead to higher disposable incomes. The benefit of this policy easing should now be seen in the coming months in the macro data. A few months of better macro readings should alleviate global investors' concern on China.

Fund Commentary

The Internet platform companies grew strongly in the first half of 2023; these companies are Alibaba, JD.com, Baidu and NetEase. Alibaba and JD.com saw a recovery in revenue growth for their core businesses. Along with reduced losses for the newer segments to their businesses, profit growth was strong. NetEase, a video game developer, increased margins by getting more of its customers to use its own payment platform and play more of its self-developed higher margins games. The company is also doing a good job in marketing its games organically rather than spending a lot on social media advertising.

Companies in industries that were most affected by lockdowns in 2022 exhibited strong earnings recovery. TravelSky, which processes most flights in China, saw earnings growth of 173%.

For the companies that give exposure to the Sustainability theme, we saw good results from:

- Wuxi Lead Intelligent Equipment – in the first half of 2023, revenue grew 30% and EPS grew 48%. Lead Intelligent is a manufacturer of battery production equipment, whose second largest shareholder is CATL, one of the world's largest battery manufacturers. Given potential overcapacity in China, export growth is likely to be important for Lead Intelligent. Therefore, it was good to see the business sign up LG Energy Solutions, the first major Korean customer that Lead Intelligent has worked with. Automotive Cells Company (a joint venture operated between Mercedez-Benz Group, Stellantis and Total Energies) is Lead Intelligent's second largest foreign customer. Volkswagen and Northvolt are other major customers that Lead Intelligent supplies.
- Nari Technology – in the first half of 2023, revenue grew 12% and EPS grew 32%. Nari is a manufacturer of hardware and software for China's electricity grid. In the first half of the year, revenue from the Grid Automation business grew 5%, which is slightly below the full year guidance of 7-8% growth. In contrast, the Power Generation, Hydro and Environment segment grew revenue by more than 90%, driven by rising demand for energy storage solutions and hydropower. Overall, new orders increased by 9%, with particularly strong growth for non-grid contracts which grew 29%.

For the companies that give exposure to the Sustainability theme, we saw weaker results from:

- Xinyi Solar – in the first half of 2023, revenue rose 25% and EPS fell 27%. Xinyi Solar is the world's largest manufacturer of solar glass. In its interim results the company reported year-on-year volume growth of 50%, revenue growth of 25% but a net income contraction of 27%. Volume growth was strong as demand for solar energy continues to grow both domestically and abroad. Revenue growth of 25% is attractive in the current macro environment but lagged volume growth as greater solar glass capacity within the industry led to lower selling prices. The company's gross margin fell by 8.7% percentage points. Natural gas and soda ash prices remained elevated in the first quarter, but the company did not benefit from falling raw material prices in the second quarter. This is because it signed natural gas contracts at the end of last year at fixed prices, when concerns over gas shortages were at their highest. In the second half of the year, management expects to benefit from cheaper gas prices as the contracts roll over. Despite the results, Xinyi Solar is continuing to add capacity in order to gain market share. As the lowest-cost producer in the space with a strong balance sheet, the company is in a good position to take advantage where its smaller competitors are struggling. We expect the supply-demand imbalance to gradually adjust, as smaller peers are unlikely to be able to afford expansion, putting Xinyi Solar in a favorable position.

For companies with exposure to Real Estate:

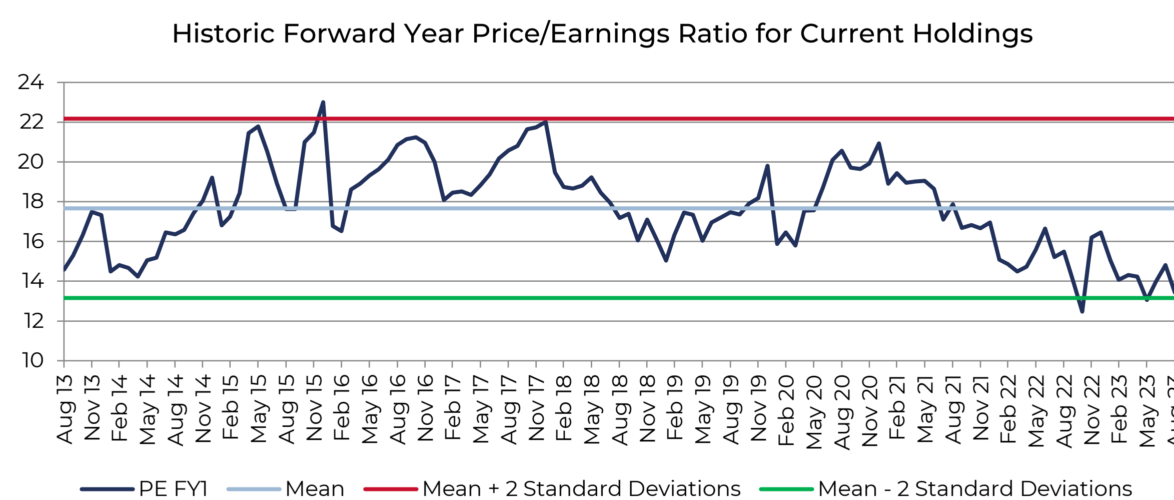
- China Overseas Land & Investment (COLI) – in the first half of 2023, revenue fell 14% and EPS fell 20%. COLI is a state-owned property developer that is taking advantage of the pullback of private competitors in the market. COLI's average selling prices fell 5% in the first half the year but unbooked presales, that have not yet been recognized as revenue, rose 31%. COLI continues to add land in higher tier cities, taking advantage of the weakness of its private competitors. For example, COLI acquired Country Garden's stake in Guangzhou Asian Games City, following its acquisitor of Shimao's and Agile's 53% stake, giving COLI full control of the project. Management remains confident of growing sales by 20% this year, in stark contrast to its indebted private competitors.

- Sany Heavy Industry – in the first half of 2023, revenue fell <1% and EPS rose 29%. Sany is a leading manufacturer of excavators, construction cranes and truck mounted concrete pumps. To reduce its reliance on the domestic property market, Sany has been rapidly growing its export business. Export sales grew 36%, offsetting the 27% decline in domestic sales. Sales to Europe grew 72%, while sales to the US grew 23%. Export sales are more profitable for Sany, so the company's gross margin rebounded by 5.6 percentage points. To support foreign sales, Sany has three factories in Indonesia, India and the US. The business is expanding its presence in Indonesia and India and is building a new plant in South Africa.
- Suofeiya Home Collection – in the first half of 2023, revenue fell 1% and EPS rose 21%. Suofeiya is a manufacturer of wardrobes and kitchen cabinets. The company has reduced its direct exposure to property developers, with their sales contribution falling from a peak of 18% a few years ago to 12% in the second quarter of this year.

For companies with exposure to Healthcare:

- We own three generic pharmaceutical companies making the shift towards innovative drugs: China Medical System, CSPC Pharmaceutical and Sino Biopharmaceutical. In the first half of 2023, their revenue changed by +4%/+3%/+1% respectively, while their EPS changed by +7%/<1%/-34% respectively. The ongoing anti-corruption push has made hospitals cautious and sales slowed down in the second quarter. The slowdown is expected to continue for much of the remainder of this year. Additionally, price cuts for existing generics are putting downward pressure on growth, while innovative drugs developed by the companies themselves are too small to offset this decline. We estimate at current valuations, the market is assigning zero value to the cashflows generated from future capital expenditures and R&D (Research & Development). We believe there is a strong chance these companies will eventually make their own innovative drugs, and so at current prices these companies are a bargain.

Outlook



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Edmund Harriss (portfolio manager)

Sharukh Malik (portfolio manager)

Performance

As of 06/30/2023	YTD	1 Year	3 Year	5 Year	10 Year
China & Hong Kong Fund (ICHKX)	-5.80%	-19.14%	-5.34%	-3.87%	2.80%
Hang Seng Composite Index TR	-3.71%	-11.54%	-4.99%	-3.68%	2.99%
MSCI China Net Total Return Index	-5.46%	-16.82%	-10.26%	-5.27%	3.04%

As of 08/31/2023	YTD	1 Year	3 Year	5 Year	10 Year
China & Hong Kong Fund (ICHKX)	-9.89%	-11.48%	-10.02%	-3.32%	1.68%
Hang Seng Composite Index TR	-5.06%	-4.20%	-8.45%	-3.16%	2.32%
MSCI China Net Total Return Index	-4.66%	-7.53%	-14.26%	-3.89%	2.48%

All returns over 1 year annualized. *Source: Bloomberg, Guinness Atkinson Asset Management.*

Expense Ratio: 1.71%

Performance data quoted represents past performance; past performance does not guarantee future results. The investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. Performance data shown is current to the most recent month and quarter end. To obtain performance as of the most recent month end, please visit www.gafunds.com or call 1-800-915-6565. Performance data does not reflect the 2% redemption fee for shares held less than 30 days and, if deducted the fee would reduce the performance noted.

The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The statutory and summary prospectus contains this and other important information about the investment company, and it may be obtained by calling 800-915-6566 or visiting gafunds.com. Read it carefully before investing.

Investments in foreign securities involve greater volatility, political, economic and currency risks and differences in accounting methods. These risks are greater for emerging markets countries. The China and/or Hong Kong stock markets in which the Fund invests may experience periods of volatility and instability. These fluctuations may cause a security to be worth less than it was at the time of purchase. Market risk applies to individual securities, a particular sector or the entire economy. China and/or Hong Kong stocks may fall out of favor with investors, the value of Chinese currencies may decline relative to the U.S. dollar and/or China or Hong Kong stock markets may decline generally. The Fund invests in invest in small-cap or mid-cap, which involve additional risks such as limited liquidity and greater volatility, than investments in larger companies.

One cannot invest directly in an Index.

P/E ratio is a current stock price over its earnings per share. The forward P/E ratio is a current stock's price over its "predicted" earnings per share. If the forward P/E ratio is higher than the current P/E ratio, it indicates decreased expected earnings.

Standard deviation is a statistic that measures the dispersion of a dataset relative to its mean and is calculated as the square root of the variance. If the data points are further from the mean, there is a higher deviation within the data set. A volatile stock has a high standard deviation, while the deviation of a stable blue-chip stock is usually rather low.

The compound annual growth rate (CAGR) is the rate of return (RoR) that would be required for an investment to grow from its beginning balance to its ending balance, assuming the profits were reinvested at the end of each period of the investment's life span.

The Producer Price Index (PPI) program measures the average change over time in the selling prices received by domestic producers for their output. The prices included in the PPI are from the first commercial transaction for many products and some services.

The Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services. Indexes are available for the U.S. and various geographic areas. Average price data for select utility, automotive fuel, and food items are also available.

USD/CNY is the abbreviation for the US Dollar and Chinese Yuan pair. It shows how much the USD (base currency) is worth as measured against the CNY (counter currency).

The Shanghai Shenzhen CSI 300 Index is a market capitalization-weighted stock market index designed to replicate the performance of the top 300 A-share stocks traded in the Shanghai and Shenzhen stock exchanges.

Hang Seng Composite Total Return Index is a market capitalization weighted index that monitors the performance of stocks listed in Hong Kong.

In China, the National Bureau of Statistics (NBS) Manufacturing Purchasing Manager Index measures the performance of the manufacturing sector and is derived from a survey of more large-scale, state-owned companies. The Manufacturing Purchasing Managers Index is based on five individual indexes with the following weights: New Orders (30%), Output (25%), Employment (20%), Suppliers' Delivery Times (15%) and Stock of Items Purchased (10%), with the Delivery Times index inverted so that it moves in a comparable direction.

The Basel Accords are a series of three sequential banking regulation agreements (Basel I, II, and III) set by the Basel Committee on Bank Supervision (BCBS). Basel III is an international regulatory accord that introduced a set of reforms designed to mitigate risk within the international banking sector by requiring banks to maintain certain leverage ratios and keep certain levels of reserve capital on hand. Basel III is an internationally agreed set of measures developed in response to the financial crisis of 2007-2009.

A nonperforming loan (NPL) is a loan that is in default due to the fact that the borrower has not made the scheduled payments for a specified period.

The Caixin PMI measures the performance of the manufacturing sector and is derived from a survey of more private companies.

MSCI AC Asia Pacific ex Japan Index is free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of countries in the Asia Pacific region.

MSCI Europe Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of European markets.

MSCI EM Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of Emerging markets in Asia, Europe, Middle East, Africa and Latin America.

MSCI China Index captures large and mid cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g. ADRs). With 703 constituents, the index covers about 85% of this China equity universe.

The MSCI China A Index captures large and mid-cap representation across China securities listed on the Shanghai and Shenzhen exchanges. The index covers only those securities that are accessible through "Stock Connect".

MSCI Hong Kong Index is a capital weighted stock index designed to measure the performance of the large and mid cap segments of the Hong Kong market. It has 48 constituents and covers approximately 85% of the free float-adjusted market capitalization of Hong Kong equity stocks.

MSCI Japan Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of the Japanese market.

MSCI World Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets.

MSCI China Growth Index captures large and mid cap securities exhibiting overall growth style characteristics across the Chinese equity markets.

MSCI China Value Index captures large and mid cap Chinese securities exhibiting overall value style characteristics. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price, and dividend yield.

S&P 500 Index is a market-capitalization-weighted index of leading publicly traded companies in the U.S.

The Hang Seng Composite Index ("HSCI") offers a comprehensive Hong Kong market benchmark that covers about the top 95th percentile of the total market capitalisation of companies listed on the Main Board of the Stock Exchange of Hong Kong ("SEHK").

Hang Seng TECH Index represents the 30 largest technology companies listed in Hong Kong that have high business exposure to technology themes and pass the index's screening criteria.

The MSCI Taiwan Index is designed to measure the performance of the large and mid cap segments of the Taiwan market. With90 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in Taiwan.

Privately owned enterprise (POE) is a business that is managed by an independent company or private individual — rather than the Chinese Government or the host country government. While these companies may issue stock and have shareholders, their shares are not listed on public exchanges.

American depositary receipt (ADR) refers to a negotiable certificate issued by a U.S. depositary bank representing a specified number of shares—usually one share—of a foreign company's stock. The ADR trades on U.S. stock markets as any domestic shares would.

Earnings per share (*EPS*) is calculated as a company's profit divided by the outstanding shares of its common stock.

Many investors use the price-to-book ratio (P/B ratio) to compare a firm's market capitalization to its book value and locate undervalued companies. This ratio is calculated by dividing the company's current stock price per share by its book value per share (BVPS).
The dividend yield, expressed as a percentage, is a financial ratio (dividend/price) that shows how much a company pays out in dividends each year relative to its stock price.

Price/Earnings ratio (P/E) is an equity valuation multiple. It is defined as market price per share divided by annual earnings per share

USDCNY exchange rate refers to how many Renminbi one US dollar is worth.

Opinions expressed are subject to change, are not a guarantee and should not be considered investment advice. Past performance is not indicative of future results.

Dividends are not guaranteed and may fluctuate. Earnings growth and Income growth are not a measure of future performance.

Top Fund Holdings as of 8/31/2023:

1.	NetEase Inc	5.63%
2.	Baidu Inc	4.47%
3.	NARI Technology Co Ltd	4.19%
4.	Shenzhen Inovance Technology Co Ltd	4.14%
5.	Suofeiya Home Collection - A Shares	3.86%
6.	China Medical System Holdings Ltd	3.81%
7.	TravelSky Technology Ltd	3.73%
8.	Tencent Holdings Ltd	3.64%
9.	Venustech Group Inc	3.56%
10.	Zhejiang Supor Cookware - A Shares	3.56%

Fund holdings and sector allocations are subject to change and are not recommendations to buy or sell any security.

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