

AMP Capital China Growth Fund

Monthly Report

The AMP Capital China Growth Fund is listed on the Australian Securities Exchange under the Code AGF

JULY 2014



Investment objective

The AMP Capital China Growth Fund aims to: achieve long-term capital growth with a focus on investing in China A shares, which are shares in companies listed on China's Shanghai or Shenzhen stock exchanges; and outperform the S&P/CITIC 300 Total Return Index (expressed in Australian dollars). The objectives do not include the payment of regular income to investors.

Net Asset Value (NAV) per unit as at 31 July 2014

\$0.91

AMP Capital China Growth Fund performance (in AUD) for the period ended 31 July 2014

	1 mth return	3 mth return	6 mth return	1 yr return	3 yr return (annualised)	Return since investment* (annualised)
AMP Capital China Growth Fund (Net)**	9.09%	9.1%	-6.4%	-2.0%	2.0%	3.6%
AMP Capital China Growth Fund (Gross)***	9.25%	9.8%	-5.5%	-0.1%	3.9%	5.3%
Benchmark (S&P/CITIC 300 Total Return Index)	11.91%	13.0%	1.0%	7.2%	2.4%	3.9%

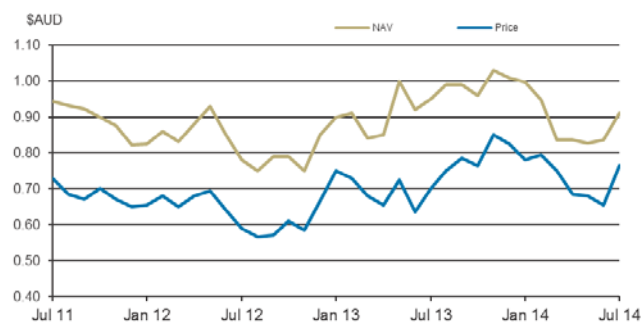
Source: AMP Capital. These returns assume distributions are reinvested. Past performance is not a reliable indicator of future performance.

* 10 February 2007.

** Net performance is calculated after fees, expenses and taxes.

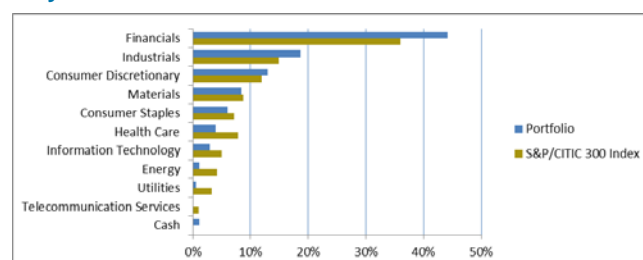
*** Gross performance is calculated before fees, expenses and taxes.

AMP Capital China Growth Fund NAV and share price



Source: AMP Capital, Bloomberg. NAV figures are ex-distribution.

Sector allocation – % of total equity investments at 31 July 2014



Source: AMP Capital.

Twenty largest stock positions as at 31 July 2014

Stock	Sector	Industry	Weight (%)
China Vanke Co Ltd	Financials	Real Estate Mgt & Development	5.53
Ping An Insurance Group Co of China Ltd	Financials	Insurance	5.21
CITIC Securities Co Ltd	Financials	Capital Markets	4.07
China Merchants Bank Co Ltd	Financials	Commercial Banks	3.75
China Minsheng Banking Corp Ltd	Financials	Commercial Banks	3.61
Shanghai Pudong Development Bank Co Ltd	Financials	Commercial Banks	3.59
Industrial Bank Co Ltd	Financials	Commercial Banks	3.50
Kweichow Moutai Co Ltd	Consumer Staples	Beverages	3.29
Gree Electric Appliances Inc	Consumer Discretionary	Household Durables	2.64
Poly Real Estate Group Co Ltd	Financials	Real Estate Mgt & Development	2.52
Anhui Conch Cement Co Ltd	Materials	Construction Materials	2.43
Zhengzhou Yutong Bus Co Ltd	Industrials	Machinery	2.40
Ping An Bank Co Ltd	Financials	Commercial Banks	2.15
Byd Co Ltd	Consumer Discretionary	Automobiles	2.04
SAIC Motor Corp Ltd	Consumer Discretionary	Automobiles	1.83
Midea Group Co Ltd	Consumer Discretionary	Household Durables	1.77
Sealand Securities Co Ltd	Financials	Capital Markets	1.74
BesTV New Media Co Ltd	Consumer Discretionary	Household Durables	1.69
Haitong Securities Co Ltd	Financials	Capital Markets	1.58
China Merchants Securities Co Ltd	Financials	Capital Markets	1.58

Fund performance

In July, the China A share market enjoyed a strong rebound after a weak first half of 2014. The overall market was up 11.91 per cent in AUD terms. The Fund NAV also rebounded 9.25 per cent (gross of fees)

On the macro front, there were signs of the economy picking up during the second quarter and the economic growth momentum seems to be continuing into the third quarter of the year, which will ease investor concerns about slowing growth. At the same time, the government relaxed its liquidity management policy, which also lifted investor sentiment and resulted in a relatively strong market rally.

Even though MSCI announced it was not going to include the China A share market in its global emerging market index in 2014, global investors still looked to increase their exposure to the market, mostly through exchange traded funds. This was due to the imminent introduction of the HK-Shanghai Connect program (due to take place in October) and MSCI's intention to review its decision next year. Subsequently, the July rally was characterised by a large-cap rally. In contrast, the small cap index, ChiNext, declined during the month.

The large-cap rally did hurt the performance of the fund somewhat given our exposure to the medium and small cap sector. Most of the stocks in the IT, environmental protection and industrials sectors underperformed relative to the index. On a positive note, however, our exposures in the property sector helped overall performance.

Our strategy has been to continue to hold on to quality companies with strong fundamentals. We are also looking for additional opportunities in the large cap space that may benefit from the HK-Shanghai connect program because of the expected narrowing of the A-share/H-share discount.

Important note: AMP Capital Funds Management Limited (ABN 15 159 557 721, AFSL 426455) (AMPCFM) is the responsible entity of the AMP Capital China Growth Fund (Fund) and the issuer of units in the Fund. Neither AMP Capital Investors Limited (ABN 59 001 777 591, AFSL 232497) (AMP Capital), AMPCFM nor any other company in the AMP Group guarantees the repayment of capital or the performance of any product or any particular rate of return referred to in this document. Past performance is not a reliable indicator of future performance. While every care has been taken in the preparation of this document, AMP Capital makes no representation or warranty as to the accuracy or completeness of any statement in it including without limitation, any forecasts. This investors' report has been prepared for the purpose of providing general information, without taking account of any particular investor's objectives, financial situation or needs. Investors should, before making any investment decisions, consider the appropriateness of the information in this document, and seek professional advice, having regard to their objectives, financial situation and needs. *10 January 2007 is the date the Fund announced to the ASX that the amount of its US\$200m QFII quota had been remitted into China and the Fund was over 90% invested in China A shares.