DNCA INVEST
CHINA EQUITY

CHINEESE EQUITIES

Investment objective

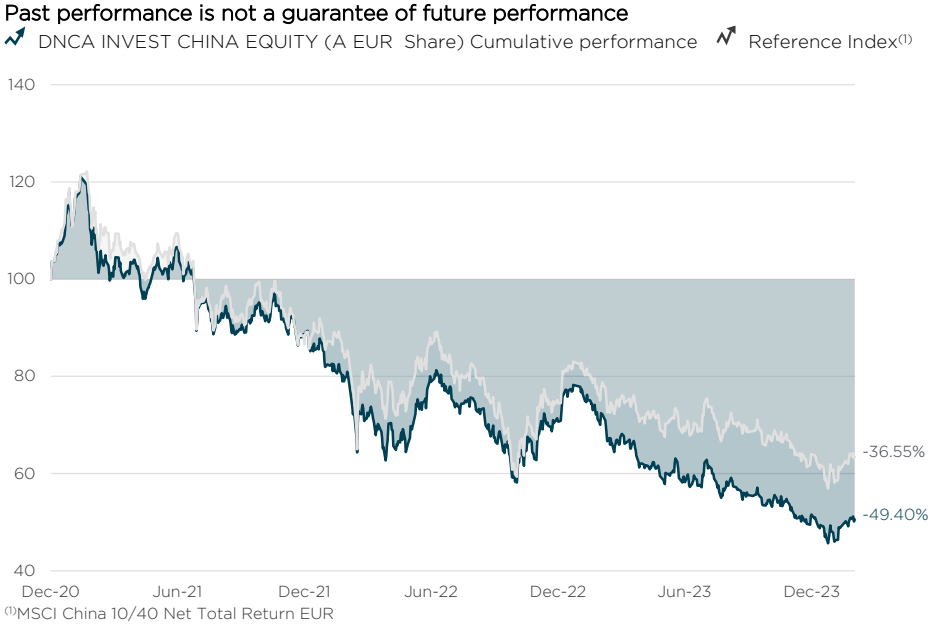
The Sub-Fund seeks to outperform of the MSCI China 10/40 Net Return Index (BBG ticker: MN40CNE) over the recommended investment term of 5 years by investing mainly in equities and equities related securities of Chinese companies of issuers exercising the preponderant part of their economic activities in China.
To achieve its investment objective, the investment strategy is based on active discretionary management.

Financial characteristics

NAV (€)	51.06
Net assets (€M)	11
Number of equities holdings	35
Average market cap. (€Bn)	72
Price to Earning Ratio 2024e	10.7x
Price to Book 2023	1.6x
EV/EBITDA 2024e	5.8x
ND/EBITDA 2023	-2.4x
Free Cash Flow yield 2024e	10.24%
Dividend yield 2023e	2.29%

Performance (from 29/12/2020 to 29/02/2024)

Past performance is not a guarantee of future performance



(1)MSCI China 10/40 Net Total Return EUR

Annualised performances and volatilities (%)

	1 year	2 years	3 years	Since inception
A EUR Share	-27.72	-20.43	-22.07	-19.09
Reference Index	-15.47	-13.17	-16.82	-12.95
A EUR Share - volatility	22.88	28.06	25.95	25.93
Reference Index - volatility	22.60	30.24	28.06	27.89

Cumulative performances (%)

	1 month	3 months	YTD	1 year	2 years	3 years
A EUR Share	+10.09	-4.74	-1.92	-27.72	-36.72	-52.77
Reference Index	+9.18	-4.04	-0.95	-15.47	-24.63	-42.54

Calendar year performances (%)

	2023	2022	2021
A EUR Share	-26.99	-20.69	-14.05
Reference Index	-13.99	-16.39	-14.08

Risk indicator

1 2 3 4 **5** 6 7

Lower risk — Higher risk

Synthetic risk indicator according to PRIIPS. 1 corresponds to the lowest level and 7 to the highest level.

	1 year	3 years	Since inception
Sharpe Ratio	-1.21	-0.85	-0.74
Tracking error	7.07%	9.48%	9.43%
Correlation coefficient	0.95	0.94	0.94
Information Ratio	-1.73	-0.55	-0.65
Beta	0.96	0.87	0.88

Main risks: risk of investing in derivative instruments as well as instruments embedding derivatives, ESG risk, equity risk, risk relating to small-cap equity investments, risk related to exchange rate, counterparty risk, credit risk, risk relating to discretionary management, risk related to investments in emerging markets, liquidity risk, onshore Renminbi currency risk, stock Connect risk, interest-rate risk

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Main positions*

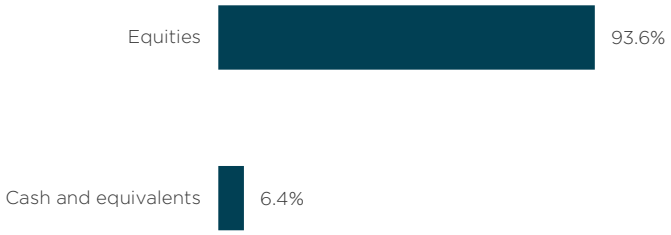
	Weight
ALIBABA GROUP HOLDING LTD (3.0)	6.83%
TENCENT HOLDINGS LTD (4.5)	6.28%
CHINA MERCHANTS BANK-H (4.0)	6.03%
TAL EDUCATION GROUP- ADR (4.6)	5.72%
PING AN INSURANCE GROUP CO-H (6.5)	5.17%
MEITUAN-CLASS B (4.9)	3.85%
CSPC PHARMACEUTICAL GROUP LT (4.5)	3.83%
SUNGROW POWER SUPPLY CO LT-A (6.2)	3.78%
CHINA COMMUNICATIONS SERVI-H (6.0)	3.59%
PINDUODUO INC-ADR (4.8)	3.47%
	48.53%

Monthly performance contributions
Past performance is not a guarantee of future performance

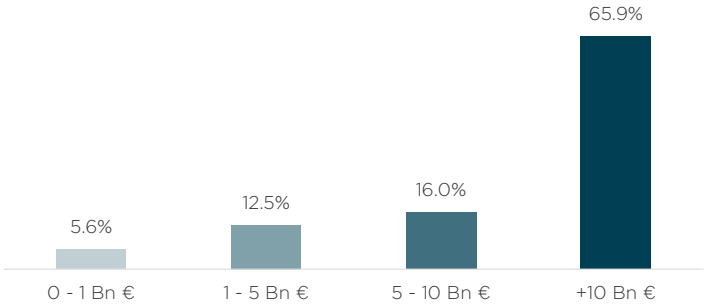
Best	Weight	Contribution
TAL EDUCATION GROUP- ADR	5.72%	+2.21%
MEITUAN-CLASS B	3.85%	+0.91%
CHINA MERCHANTS BANK-H	6.03%	+0.45%
CHINA EAST EDUCATION HOLDING	2.89%	+0.44%
SUNGROW POWER SUPPLY CO LT-A	3.78%	+0.42%

Worst	Weight	Contribution
PINDUODUO INC-ADR	3.47%	-0.07%
KINDSTAR GLOBALGENE TECHNOLO	1.00%	-0.06%
BUDWEISER BREWING CO APAC LT	1.33%	+0.00%
IND & COMM BK OF CHINA-H	0.50%	+0.03%
SHENZHEN MINDRAY BIO-MEDIC-A	0.68%	+0.06%

Asset class breakdown



Market Cap breakdown



Sector breakdown (ICB)

	Fund	Index
Technology	17.5%	17.3%
Consumer Products and Services	14.7%	11.2%
Retail	11.5%	11.3%
Industrial Goods and Services	10.2%	4.7%
Banks	6.5%	11.9%
Health Care	5.5%	5.3%
Insurance	5.2%	3.9%
Energy	5.0%	4.8%
Automobiles and Parts	4.5%	5.9%
Food, Beverage and Tobacco	3.7%	4.9%
Telecommunications	3.6%	2.8%
Financial Services	2.3%	2.0%
Real Estate	2.0%	2.4%
Travel and Leisure	1.4%	3.6%
Cash and equivalents	6.4%	N/A

Country breakdown

	Fund	Index
China	92.3%	94.9%
Hong Kong, SAR China	1.3%	1.1%
Cash and equivalents	6.4%	N/A

Changes to portfolio holdings*

In: None

Out: None

*The figure between brackets represents the issuer's 'responsibility' score. Please refer to the Internal Extra-financial analysis page for the analysis methodology.

Portfolio managers comments

After the capitulation in the end of January triggered by derivative products in mainland stock market, we believe Chinese equities have finally bottomed out. Chinese New Year consumption data in February were better than expected. A series of effective actions were also quickly taken by financial regulator to immediately stop loss and support equity markets, including the appointment of a new head of the securities regulator. This demonstrates the importance of stock market for the government. Now it's time to demonstrate the importance of economy…we are heading into a policy-intense period as the annual NPC meetings are starting early March. For the stock market recovery to continue, we need more positive news from policy makers. Having said that, market expectations for bazooka stimulus remain low. Hence the market trajectory for a more sustainable rebound is still unclear at current stage.

In February, DNCA Invest China Equity gained +10.18%, vs. its benchmark +9.18%. On the contributor side, TAL Education, +39% during the month, is one of the top convictions of the fund. The Ministry of Education released a draft consultation opinion on after-school tutoring aimed at clarifying the regulatory framework for private tutoring. This is a clear positive for the company implying an accelerated path for topline growth and operating leverage improvement. Naura Technology (+25%) rallied following peers' positive 2024 outlook on semiconductor capex recovery. Zhejiang Sanhua Intelligent Controls (+19%) stock price recovered from extreme price movements partially linked to A share derivative triggered sell-off. Market was also concerned by potential margin squeeze due to fierce EV competition. We believe the company will successfully fend off these challenges, while the development of humanoid robots will add another growth driver in future years. The company is one of the leading component supplier for Tesla's Optimus project. On the detractor side, China Communication Services and China Merchant Bank delivered more muted performance.

Text completed on 08/03/2024.



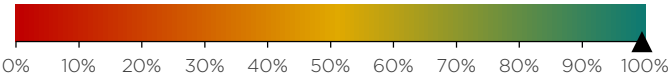
YingYing Wu, CFA



Zhang Zhang, CFA

Internal extra-financial analysis

ABA coverage rate+(99.5%)



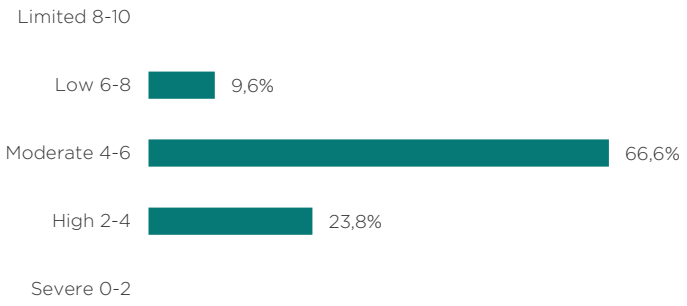
Average Responsibility Score: 4.5/10

Selectivity universe exclusion rate

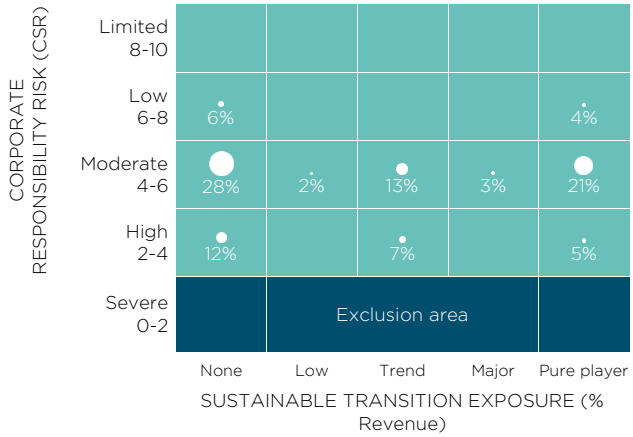


Non-rated excluded	0,0%
Excluded	20,2%
Eligible	79,8%

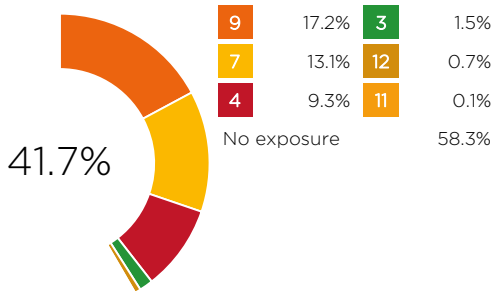
Responsibility risk breakdown(1)



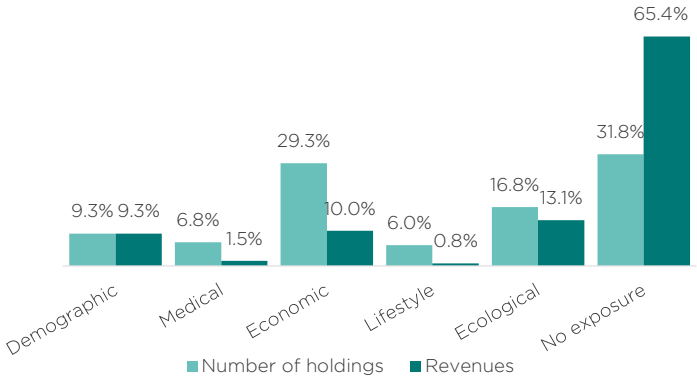
Transition/CSR exposure(2)



SDG's exposure(3) (% of revenues)



Sustainable transitions exposure(4)



Analysis methodology

We develop proprietary models based on our expertise and conviction to add tangible value in the selection of portfolio securities. DNCA's ESG analysis model, Above & Beyond Analysis (ABA), respects this principle and offers a rating that we control the entire construction. Information from companies is the main input to our rating. The methodologies for calculating ESG indicators and our responsible investor and engagement policy are available on our website by clicking here.

(1) The rating out of 10 integrates 4 risks of responsibility: shareholder, environmental, social and societal. Whatever their sector of activity, 24 indicators are evaluated, such as social climate, accounting risks, suppliers, business ethics, energy policy, quality of management.

(2) The ABA Matrix combines the Responsibility Risk and the Sustainable Transition exposure of the portfolio. It allows us to It allows companies to be mapped using a risk/opportunity approach.

(3) 1 No poverty. 2 Zero hunger. 3 Good health and well-being. 4 Quality education. 5 Gender equality. 6 Clean water and sanitation. 7 Clean and affordable energy. 8 Decent work and economic growth. 9 Industry, innovation and infrastructure. 10 Reduced inequalities. 11 Sustainable cities and communities. 12 Sustainable consumption and production. 13 Tackling climate change. 14 Aquatic life. 15 Terrestrial life. 16 Peace, justice and effective institutions. 17 Partnerships to achieve the goals.

(4) 5 transitions based on a long-term perspective of the financing of the economy allow the identification of activities with a positive contribution to sustainable development and to measure the exposure of companies in terms of turnover as well as exposure to the UN Sustainable Development Goals.

+The coverage rate measures the proportion of issuers (equities and corporate bonds) taken into account in the calculation of the extra-financial indicators. This measure is calculated as a % of the fund's net assets adjusted for cash, money market instruments, derivatives and any vehicle outside the scope of "listed equities and corporate bonds".

Principal Adverse Impacts

PAI	Unit	Fund		Ref. Index	
		Coverage	Value	Coverage	Value
PAI Corpo 1_1 - Tier 1 GHG emissions	T CO_2	97%	125	100%	47,591
PAI Corpo 1_2 - Tier 2 GHG emissions	T CO_2	97%	164	100%	10,529
PAI Corpo 1_3 - Tier 3 GHG emissions	T CO_2	97%	2,183	100%	205,278
PAI Corpo 1T - Total GHG emissions	T CO_2	97%	2,467	100%	263,423
PAI Corpo 2 - Carbon footprint	T CO_2/EUR million invested	97%	209	100%	680
PAI Corpo 3 - GHG intensity	T CO_2/EUR million sales	99%	542	100%	1,160
PAI Corpo 4 - Share of investments in companies active in the fossil fuel sector		0%	0%	6%	6%
PAI Corpo 5 - Share of non-renewable energy consumption and production		70%	82%	75%	82%
PAI Corpo 6_TOTAL - Energy consumption intensity by sector with high climate impact NACE	GWh / EUR million sales	73%	2.5	78%	1.1
PAI Corpo 7 - Activities with a negative impact on biodiversity-sensitive areas		0%	0%	0%	0%
PAI Corpo 8 - Water discharges	T Water Emissions	10%	28,660	6%	307,385
PAI Corpo 9 - Hazardous or radioactive waste ratio	T Hazardous Waste	41%	91,274	53%	502,029
PAI Corpo 10 - Violations of UNGC and OECD principles		97%	0%	100%	2%
PAI Corpo 11 - Lack of UNGC and OECD compliance processes and mechanisms		97%	75%	99%	77%
PAI Corpo 12 - Unadjusted gender pay gap		1%	1%	0%	-30%
PAI Corpo 13 - Gender diversity in governance bodies		97%	19%	100%	19%
PAI Corpo 14 - Exposure to controversial weapons		97%	0%	100%	0%
PAI Corpo OPT_1 - Water use	m^3/EUR mln sales	11%	0	15%	1
PAI Corpo OPT_2 - Water recycling		3%	0%	6%	0%
PAI Corpo OPT_3 - Number of days lost due to injury, accident, death or illness		42%	1	50%	10

Source : MSCI

Administrative information

Name: DNCA INVEST China Equity
ISIN code (Share A EUR): LU2254337632
SFDR classification: Art.8
Inception date: 28/12/2020
Investment horizon: Minimum 5 years
Currency: Euro
Country of domicile: Luxembourg
Legal form: SICAV
Reference Index: MSCI China 10/40 Net Total Return EUR
Valuation frequency: Daily
Management company: DNCA Finance

Portfolio Managers:
YingYing WU, CFA
Zhang ZHANG, CFA

Minimum investment: None
Subscription fees: - max
Redemption fees: -
Management fees: 2%
Ongoing charges as of 30/12/2022: 2.66%
Performance fees: 20% of the positive performance net of any fees above the index: MSCI China 10/40 NR with High Water Mark

Custodian: BNP Paribas - Luxembourg Branch
Settlement: T+2
Cut off: 12:00 Luxembourg time

Legal information

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Past performance is not a reliable indicator of future performance.

Sub-fund of DNCA INVEST Investment company with variable capital (SICAV) under Luxembourg law in the form of a Société Anonyme - domiciled at 60 Av. J.F. Kennedy - L-1855 Luxembourg. It is authorised by the Commission de Surveillance du Secteur Financier (CSSF) and subject to the provisions of Chapter 15 of the Law of 17 December 2010.

DNCA Finance is a limited partnership (Société en Commandite Simple) approved by the Autorité des Marchés Financiers (AMF) as a portfolio management company under number GP00-030 and governed by the AMF's General Regulations, its doctrine and the Monetary and Financial Code. DNCA Finance is also a Non-Independent Investment Advisor within the meaning of the MIFID II Directive. DNCA Finance - 19 Place Vendôme-75001 Paris - e-mail: dnca@dnca-investments.com - tel: +33 (0)1 58 62 55 00 - website: www.dnca-investments.com.

Any complaint may be addressed, free of charge, either to your usual contact (within DNCA Finance or within a delegate of DNCA Finance), or directly to the Head of Compliance and Internal Control (RCCI) of DNCA Finance by writing to the company's head office (19 Place Vendôme, 75001 Paris, France).

This Fund is being marketed as a public offering in Luxembourg. You can contact the DNCA Finance branch:

DNCA Finance Luxembourg Branch - 1 Place d'Armes - L-1136 Luxembourg

This product promotes environmental or social characteristics, but does not have as its objective a sustainable investment. It might invest partially in assets that have a sustainable objective, for instance qualified as sustainable according to the EU classification.

This product is subject to sustainability risks as defined in the Regulation 2019/2088 (article 2(22)) by environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment.

If the portfolio investment process can incorporate ESG approach, the portfolio's investment objective is not primarily to mitigate this risk. The sustainability risk management policy is available on the website of the Management Company.

The reference benchmark as defined in the Regulation 2019/2088 (article 2(22)) does not intend to be consistent with the environmental or social characteristics promoted by the fund.

Glossary

Beta. Measures the average extent to which a fund moves relative to the broader market. The beta of a market is 1. A fund with a beta of more than 1 moves on average to a greater extent than the market. A fund with a beta of less than 1 moves on average to a lesser extent. If beta is a minus number, it is likely that the stock and the market move in opposite directions.
Correlation coefficient. The correlation coefficient is a measure of correlation. It is used to determine the relationship between two assets over a given period. A positive coefficient means that the two assets move in the same direction. Conversely, a negative coefficient means that the assets move in the opposite direction. The correlation or decorrelation can be more or less strong and varies between -1 and 1.
Dividend yield. Annual dividends per share / Price per share
EV (Enterprise Value). Market value of common stock + market value of preferred equity + market value of debt + minority interest - cash and investments.
ND/EBITDA (Net Debt / EBITDA). A measurement of leverage, calculated as a company's interest-bearing liabilities minus cash or cash equivalents, divided by its EBITDA. The net debt to EBITDA ratio is a debt ratio that shows how many years it would take for a company to pay back its debt if net debt and EBITDA are held constant.
P/B. The Price to Book Ratio is the ratio of the market value of equity (market capitalisation) to its book value. It is used to compare the market valuation of a company with its book value.
P/CF (Share price/Cash Flow per Share). The price-to-cash-flow ratio is an indicator of a stock's valuation.
PER (Price Earnings Ratio). A company's share price divided by the amount of profits it makes for each share in a 12-month period. PE ratios are normally calculated on the base of all the profit made in the period, whether or not the profit is paid out to shareholders in that period.
ROE (Return On Equity). The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
Sharpe Ratio. A way of measuring the historical risk-adjusted return on an investment. It is the average previous return minus the risk-free return, divided by the standard deviation (a measure of risk that looks at the diversion of actual returns from expected returns).
Sharpe Ratio. The Sharpe ratio measures the excess return over the risk-free money rate of an asset portfolio divided by the standard deviation of that return. It is therefore a measure of the marginal return per unit of risk. It is used to measure the performance of managers with different risk policies.
Tracking error. Tracking Error is a measure of how closely an investment portfolio follows the index against which it is benchmarked. It is the difference in the return earned by a portfolio and the return earned by the benchmark against which the portfolio is constructed. For example, if a bond portfolio earns a return of 5.15% during a period when the portfolio's benchmark (say, for example, the Lehman Brothers Index) produces a return of 5.06%, the tracking error is .09%, or 9 basis points.