

Risk Warnings:

- The Fund will primarily invest in PRC and Hong Kong equities which may significantly be subject to the economic, political and social development and risks in the PRC and Hong Kong. As such, the Fund may be more volatile and subject to higher concentration risk than a broad based fund.
- The Fund may invest in securities of issuers located in or associated with the PRC, an emerging market, which may be more volatile than investments in developed markets.
- Investment in this Fund involves risks. You may lose part or all of your investment. This Fund may not be suitable for all investors. For further details on the Fund, including risk factors, investors should carefully read the Fund's prospectus.

Investment Objective and Strategy

The Fund seeks long-term appreciation of the Unit price through capital growth and income appreciation by investing in a diversified portfolio of at least twenty three blue chip equities, and to a limited extent, American Depository Receipts (ADRs) and Global Depository Receipts (GDRs), that are listed primarily on Hong Kong stock exchange and/or any international securities exchange and/or other organized securities markets that are open to the international public and on which such securities are regularly traded.

The Fund will invest at least 70% of its Net Asset Value in listed equities with large capitalisation issued by companies established in Hong Kong or by companies whose shares are listed in Hong Kong which derive a predominant portion of their income, revenue, assets or economic activity from the PRC and Hong Kong.

For the purpose of hedging and risk management of the portfolio, the Fund may use options, futures or warrants which are economically appropriate to the reduction of relevant risks or costs or to improve investment performance subject to any such transactions complying with the overall investment restrictions of the Fund.

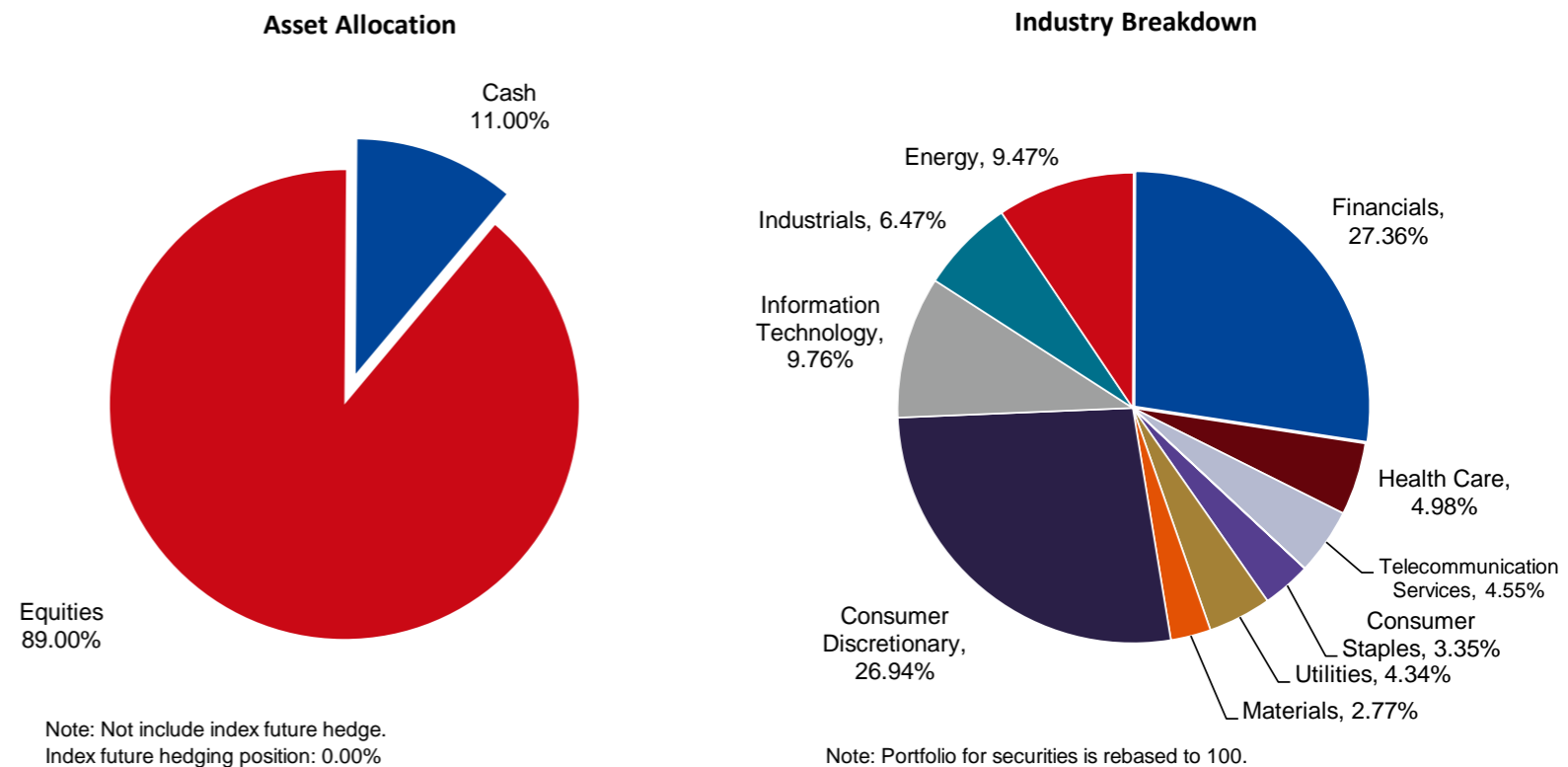
Manager Comment

Review: The Hong Kong equity market continued to rally in May on the back of appreciation of the CNY and continued inflow from south bound mainland Chinese investors through the stock connects. The HSI Index gained 4.3% while HSCEI Index was up by 3.8%. Meanwhile the mainland China A-share CSI300 Index recorded a 1.5% gain and US's S&P500 Index was up by 1.2% in May.

On China's economic data for April: On external trade, China's exports gained by 8% YoY while imports were up by 11.9% YoY, both below market expectation. On inflation, PPI increased by 6.4% YoY and CPI increased by 1.2% YoY. New loan in China increased by CNY 1,100bn and M2 increased by 10.5% YoY. Retail sales increased by 10.7% YoY and industrial production increased by 6.5% YoY. Manufacturing PMI for May remained unchanged at 51.2 while non-manufacturing PMI improved slightly to 54.5.

Outlook: Market focus is expected to remain in the sustainability of the global economic recovery. For the Hong Kong market, the recent appreciation of the CNY and its near term path is also a market driver for the coming month. Quality companies with sustainable growth drivers are expected to continue to do well in the current environment. Nevertheless, we remain constructive on the market in the medium to long term if the economic recovery witnessed in the past few months continues at a similar pace down the road. The Manager will continue to look for investment opportunities while balancing the risk and reward of the portfolio.

Portfolio Composition



| Top Ten Holdings ** | Industry | Weighting |
|--------------------------|---------------------------|-----------|
| TENCENT HOLDINGS | Information Technology | 4.89% |
| CHINA MERCHANTS BANK - H | Financials | 4.75% |
| CHINA PACIFIC INSURANCE | Financials | 4.74% |
| CHINA CONST BA-H | Financials | 4.71% |
| LI NING CO | Consumer Discretionary | 4.07% |
| CHINA UNICOM HON | Telecommunication Service | 4.05% |
| CHINA LIFE INS-H | Financials | 3.57% |
| CHINA PETROLEU-H | Energy | 3.21% |
| MINTH GROUP LTD | Consumer Discretionary | 3.11% |
| SINOPEC SEG | Energy | 2.83% |

** Classification of Fund holdings by "Industry" is derived from internal research committee with reference to Bloomberg data.

| Fund Information | | |
|---------------------------|---|----------------------------|
| Total Fund Size | HK\$ 460 Million | |
| Launch Date | 24 July 2009 | |
| Fund Currency | HKD | |
| NAV per unit | HK\$14.62 | |
| Dealing Frequency | Daily | |
| Charges# | Subscription Charge | Up to 5% |
| | Management Fee | 2% |
| | Redemption Charge | Currently at 0% (up to 5%) |
| Minimum Subscription Size | HK\$10,000 | |
| Financial Year-End | 31 December | |
| Manager | CITIC Securities International Investment Management (HK) Limited | |
| ISIN Code | HK0000102894 | |
| Bloomberg Code | CSIHKLH HK | |

Cumulative Fund Performance*



Cumulative Performance *

| Fund | 1-Month | 3-Month | 6-Month | 1-Year | 2-Year | 3-Year | Since Inception |
|--------|---------|---------|---------|--------|---------|--------|-----------------|
| Return | 5.03% | 9.35% | 15.57% | 32.55% | -12.09% | 28.58% | 46.20% |

Calendar Year Performance *

| Fund | Year-to-date | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 ¹ |
|--------|--------------|-------|--------|-------|-------|--------|---------|-------|-------------------|
| Return | 19.54% | 1.83% | -7.47% | 5.61% | 5.58% | 13.78% | -10.11% | 4.60% | 8.80% |

¹ Calculated since fund inception on July 24, 2009

| Fund Statistics (Weekly Data) | Annualized Volatility | Alpha (bps) | Beta | Information Ratio |
|-------------------------------|-----------------------|-------------|------|-------------------|
| Fund | 15.70% | 10.31 | 0.48 | 0.04 |

#Please refer to the Prospectus for details of other fees.

*Performance is shown as at 31 May 2017 in HKD on a NAV-to-NAV price basis with dividend reinvested (if any). Fund performance data is net of all fees.

Weekly NAVs were used since inception until 25 June 2010. Daily NAVs were used afterwards. We have used daily NAV for calculation when it's available while using weekly NAV when daily NAV is not available. The investment returns are denominated in fund currency.

Sources: CITIC Securities International Investment Management (HK) Limited.

The Fund is authorized by the Securities and Futures Commission of Hong Kong ("SFC"). SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors. This report has not been reviewed by the SFC.

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