

# AC ONE CHINA FUND

TICKER: ACOIX

## Investing in the growth of the Chinese middle class

### INVESTMENT STRATEGY

Long-term capital appreciation by investing in common stocks of Chinese companies.

### FUND FACTS

Inception	7/27/2012
CUSIP	360-875-728
Fund Assets	\$14.1 million
Category*	Large Cap Growth
Benchmark	MSCI China
Morningstar	China Region
Turnover (2019)	1%

\* Morningstar investment category.

### FUND MANAGEMENT

AC ONE China Fund is a joint venture between Chelsea Management Company of Los Angeles and ASSETPLUS Investment Management of Seoul, South Korea. The senior management team includes Patrick C. Pascal, Frederick J. Ruopp Jr., and Woon Sang "Chip" Baik.

### INVESTMENT PERFORMANCE Net of fees

Average Annual Total Returns

	Last Quarter	YTD	1 Year	3 Years	5 Years	Since Inception
AC ONE China Fund	11.02%	16.49%	16.49%	11.60%	4.68%	8.10%
MSCI China Index	14.71%	23.46%	23.46%	15.56%	7.49%	9.16%
Hang Seng Index	8.04%	9.07%	9.07%	8.61%	3.61%	5.25%

### PORTFOLIO CHARACTERISTICS

CHARACTERISTIC	FUND
Weighted Avg. Mkt. Cap	\$43,568M
Weighted Average P/E	15.17
Alpha (1 year)	-10.34
Beta (1 year)	1.39
Standard Deviation (3 year)	16.66
Sharpe Ratio (3 year)	0.64

**Past performance does not guarantee future results. Investment performance reflects fee waivers in effect. In the absence of such waivers, total return would be reduced. The investment return and principal value of an investment will fluctuate so that an investors shares, when redeemed, may be worth less than their original cost. Current performance of the Fund may be lower or higher than the performance quoted. The Fund has a 2.00% redemption fee for shares which are withdrawn within 60 days of purchase, which is also not reflected in the performance data. If reflected, the load and/or fee would reduce the performance quoted. The Fund's gross expense ratio as of June 30, 2019 was 2.55%. Performance data to the most recent month end may be obtained by calling 1-888-964-0788."**

The MSCI China Index is a free float-adjusted market capitalization—weighted index of Chinese equities that includes China-affiliated corporations and H shares listed on the Hong Kong Exchange, and B shares listed on the Shanghai and Shenzhen exchanges. The Hang Seng Index is a market-capitalization-weighted stock-market index in Hong Kong. Indexes assume the reinvestment of all dividends. Indexes are unmanaged statistical composites of stock market performance. Investing in an index is not possible.

NOT INSURED

NOT GUARANTEED

MAY LOSE VALUE

# AC ONE CHINA FUND

## TOP SECTORS Subject to change

Financials	25.0%
Consumer Discretionary	21.7
Communications Services	20.7
Industrials	10.8
Health Care	8.8

## TOP HOLDINGS Subject to change

Tencent Holdings Ltd	12.16%
Alibaba Group Holding Ltd ADR	9.48
Ping An Insurance	8.61
China Mengniu Dairy Co Ltd	6.95
CSPC Pharmaceutical Group Ltd.	3.82
ANTA Sports Products Ltd	3.70
China Mobile Ltd	3.47
Indust. Commercial Bank China	3.12
Haier Electric	2.82
Sino Biopharmaceutical Ltd	2.71

## INVESTMENT STRATEGY

### Disciplined

The Fund combines fundamental and quantitative analysis, with a focus on top-down stock picking. It selects firms believed to be industry leaders in China—with management depth, integrity, adaptivity, and strict corporate governance; excellent business models; above-average consistency of earnings.

### Diversified

The Fund is generally diversified across sectors and market caps, with an emphasis on mega cap stocks (those with a market capitalization above \$25 billion in U.S. dollars), large cap stocks (\$10-25 billion), and mid-cap stocks (\$3-10 billion) stocks.

### Research Driven

Quantitative research drives the Fund's long-term secular outlook and themes upon how we make investment decisions. Our Far East research team provides quantitative research based on valuation analysis and earnings dynamics.

## ABOUT AC ONE ASSET MANAGEMENT

The AC ONE China Fund is managed by AC ONE Asset Management, a division of Chelsea Management Company. Chelsea, an experienced global asset manager, provides asset management services and independent investment counsel for institutional and individual investors with a strategic and thematic viewpoint. The firm was founded in 1971 and had more than \$600 million in assets under management as of September 30, 2019.

**The Fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by clicking on the Prospectus link above. In addition, a free hard-copy is available by calling 888-964-0788. Read it carefully before investing.**

The AC One China Fund is offered only to United States residents, and information on this site is intended only for such persons. Nothing on this web site should be considered a solicitation to buy or an offer to sell shares of any Fund in any jurisdiction where the offer or solicitation would be unlawful under the securities laws of such jurisdiction.

*Investments in China securities may involve risks such as social and political instability, market illiquidity, exchange-rate fluctuations, a high level of volatility and limited regulation. Investing in emerging markets involves different and greater risks, as these countries are substantially smaller, less liquid and more volatile than securities markets in more developed markets. In addition, investments in a single-country fund, which is considered a non-diversified fund, may be subject to a higher degree of market risk than diversified funds because of concentration in a specific country. These and other risks associated with investing in the Fund can be found in the prospectus. The value of the Fund's investments may fluctuate drastically from day-to-day causing volatility and the possible loss of principal. The Fund may invest in undervalued securities and is subject to the risk that the securities may not appreciate in value as anticipated. The Fund is non-diversified and invests in a limited number of securities. As a result, the Fund's investment performance may be more volatile, as it may be more susceptible to risks associated with a single economic, political, or regulatory event than a fund that invests in a greater number of issuers.*

Alpha is a measure of the portfolio's risk-adjusted performance. When compared to the portfolio's beta, a positive alpha indicates better than expected performance. Beta is a measure of the volatility of a security or a portfolio in comparison to the market as a whole. R-Squared is a formula that determines how much a variable's behavior can explain the behavior of another variable. Sharpe Ratio uses standard deviation to measure a portfolio's risk-adjusted returns. The higher a portfolio's Sharpe Ratio, the better the portfolio's returns have been relative to the risk it has taken. Sharpe Ratio uses a fund's standard deviation and its excess return (difference between the fund's return and the risk-free return of 90-day Treasury Bills) to determine reward per unit of risk. Standard deviation is a measure of a portfolio's return dispersion and is a statistical measure of volatility that indicates the risk associated with a return series... A drawdown is the peak-to-trough decline during a specific recorded period of an investment. A drawdown is the percentage between the high point and the subsequent low points.

AC ONE Asset Management does not give tax or accounting advice. You should consult with your own advisor on the tax and accounting implications of any investment strategy. Information is obtained from publicly available sources which AC ONE Asset Management believes to be reliable. AC ONE Asset Management makes no warranties or representations as to the accuracy or completeness of the information contained in this commentary and shall not be liable for any errors or inaccuracies herein. Likewise, information contained on third party websites that AC ONE Asset Management may link to is not reviewed in its entirety for accuracy and AC ONE Asset Management assumes no liability for the information contained on these websites. The AC ONE China Fund is distributed by Quasar Distributors, LLC.