

# Commerzbank China Volatility Target Fund

An innovative partnership brings investors access to the alpha-generating capabilities of China Asset Management, the country's leading domestic asset manager, while utilising sophisticated risk management techniques from Commerzbank

**T**o many economists, China overtaking Japan as the world's second-largest economy in nominal terms is almost meaningless. But, for all non-economists, China's jump to the number two spot is important because it represents a shift in global economic and political power. China is now the world's number one world exporter, the world's number two economy and is forecast to be the number one energy consumer by next year. So, why invest in China?

We believe every forward-looking investor should have a China investing strategy. While choosing to sit on the sidelines certainly qualifies as a strategy, over the longer term, it's unlikely to be a profitable one to follow.

For those of you who share our views, we have designed the Commerzbank China Volatility Target Fund.

A systematic process enables Commerzbank China Volatility Target Fund to limit exposure to volatile markets, while increasing potential exposure to rising markets

Reducing the impact of market volatility, China presents the potential

for superior long-term growth but, as a developing market, it can also experience periods of high volatility and sharp corrections.

Commerzbank China Volatility Target Fund is specifically designed to address this risk, using 'volatility targeting' to limit the impact of falling markets on portfolio returns.

Using volatility to indicate market trends, volatility – the rate at which assets fluctuate – has proven to be a useful and reliable indicator of market direction and risk.

When volatility is low it tends to indicate that markets are on a rising trend. Conversely, as a market falls this is often reflected by a rise in volatility. In other words:

- Low volatility can signal a rising market
- High volatility can signal a falling market

This observation is common across many markets and provides investors with a valuable indicator as to when they should increase or decrease their exposure to underlying markets.



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## Commerzbank China Volatility Target Fund

Deeper China insight – powerful risk management



### Corporates & Markets

You want to invest in China for its long-term growth potential, but you recognise that high growth can sometimes mean high volatility.

Commerzbank China Volatility Target Fund may be the answer. Through this fund, investors can access the investment skills of China Asset Management, the country's leading domestic fund manager. At the same time, expert volatility targeting systematically reduces market exposure during periods of high volatility. The result? More of China's investment opportunity – less of its potential risk.

Find out more at [www.commerzbank.com/chinafund](http://www.commerzbank.com/chinafund) or by phone on 00800 4578 4512

**Achieving more together**