

Eurizon Fund - Bond Aggregate RMB Z, EUR Accumulation



Data as of 04/30/2024

This Sub-Fund is managed by Eurizon Capital S.A.

| | | | | | |
|---|------------|---------------------------|-----------------------------|---------------------------|----|
| NAV (in EUR) | 131.56 | Fund Size (in EUR) | 379 mil | Number of Holdings | 45 |
| Morningstar Rating TM | ★★★★ | Fund Manager | Eurizon SLJ Capital Limited | | |
| Morningstar Rating TM referred to 03/29/2024 | | | | | |
| Class Unit Inception Date | 02/23/2018 | | | | |

Investment / Performance Objectives & policy

The fund mainly invests in a wide range of corporate and government bonds that are issued in People's Republic of China and Hong Kong. The fund generally favours direct investment but may at times invest through derivatives.

Specifically, the fund normally invests at least 80% of total net assets in debt and debt-related instruments, including convertible and covered bonds, and money market instruments, denominated in onshore or offshore renminbi, that are traded on any regulated market in People's Republic of China, including Hong Kong. The fund may invest directly, or indirectly through the Bond Connect programme, in the China Interbank Bond Market (CIBM).

The fund may invest in the following asset classes up to the percentages of total net assets indicated:

- below investment grade debt instruments with a minimum rating of B-/B3: 49%
- unrated debt instruments: 40%
- asset-backed securities and contingent convertible bonds (coco bonds): 10%

The fund does not invest directly in asset-backed securities, only indirect exposure to them is allowed.

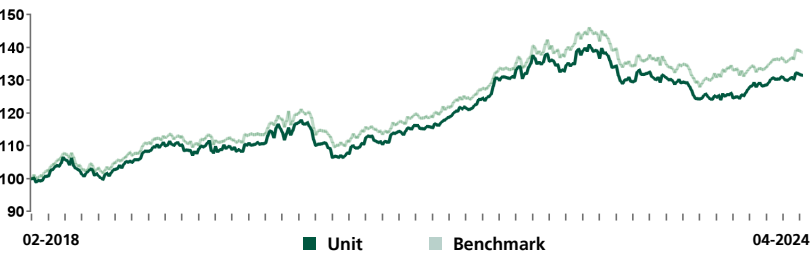
For more information read the Prospectus or Key Information Document (KID).

Benchmark

Bloomberg China Aggregate Bond Index®

Performance and NAV Evolution*

NAV Evolution since launch



Cumulative and Annualized Performance

| | Unit | Benchmark | Unit | Benchmark |
|--------------|------------|-----------|------------|-----------|
| | Cumulative | | Annualized | |
| YTD | 1.98% | 3.72% | - | - |
| 1M | 0.50% | 1.28% | - | - |
| 3M | 0.88% | 2.23% | - | - |
| 1Y | 1.98% | 4.55% | - | - |
| 3Y | 13.46% | 16.33% | 4.29% | 5.17% |
| 5Y | 19.40% | 23.29% | 3.61% | 4.27% |
| Since Launch | 31.56% | 37.66% | 4.53% | 5.31% |

Fund Statistics

| | 6M | 1Y | 3Y | 5Y | Since Launch |
|---------------------------------|-------|-------|-------|-------|--------------|
| Annualized Volatility Unit | 4.83% | 4.54% | 6.40% | 6.49% | 6.43% |
| Annualized Volatility Benchmark | 6.07% | 5.82% | 6.62% | 6.53% | 6.42% |
| Tracking Error Volatility | 2.89% | 2.74% | 1.92% | 1.59% | 1.49% |
| Sharpe Ratio | 1.53 | -0.26 | 0.52 | 0.49 | 0.66 |
| Information Ratio | 1.10 | -0.93 | -0.46 | -0.42 | -0.52 |
| Beta | 0.70 | 0.69 | 0.92 | 0.97 | 0.98 |

Annual Performance (Calendar Year)

| | Unit | Benchmark |
|------|--------|-----------|
| 2023 | -0.74% | -0.76% |
| 2022 | -0.50% | 1.01% |
| 2021 | 17.43% | 16.65% |
| 2020 | 0.45% | 0.70% |
| 2019 | 4.64% | 5.26% |

*Past performance and/or of relevant benchmark if applicable is not guarantee of future performance. The performances are net of ongoing charges and performance fees and exclude any entry and exit fees. Dividend reinvested / Dividend distributed (depending on the case).
Reference period: YTD (year to date) from 01/01/2024 to the date of this reporting. The returns calculations do not take into account taxes applicable to an average professional client in his or her country of residence. When the currency presented differs from yours, there is a currency risk that may result in a decrease in value.

Risk and Reward Profile



The risk indicator assumes you keep the product for 4 years.

The summary risk indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

We have classified this product as 3 out of 7, which is a medium-low risk class.

This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity to pay you.

For any further details on investment risks, please refer in particular to the Risks section of the Fund's Prospectus.

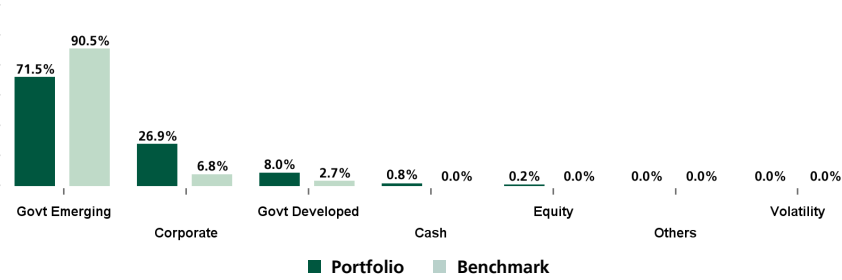
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Portfolio Information

Asset Breakdown*



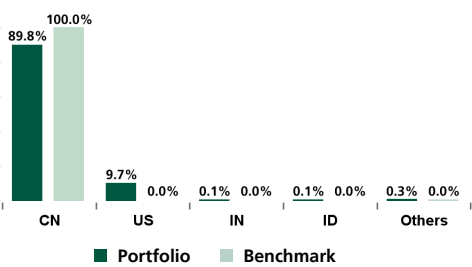
*The Corporate asset class may include issues by local agencies or authorities that are equivalent to Corporate instruments issued in terms of creditworthiness. The Developed Governments asset class may include derivative financial instruments on interbank rates.

| Derivatives | Weight |
|---------------|--------|
| Currency | - |
| Equity | - |
| Interest rate | 6.62% |

Top 10 Holdings (excluding cash)

| | Weight | Sector | Duration |
|--------------------------------|--------|------------|----------|
| EXIMCH 2.85 07/07/33 | 11.47% | Agency | 7.84 |
| CGB 2.62 09/25/29 | 8.82% | Government | 4.94 |
| CGB 2.8 03/24/29 | 8.44% | Government | 0.00 |
| SDBC 3.09 08/09/28 | 6.47% | Agency | 0.00 |
| HUIJIN 4.2 09/20/40 | 5.82% | Agency | 0.00 |
| CGB 2.76 05/15/32 | 5.68% | Government | 7.09 |
| FUT US 10YR NOTE (CBT)Jun24... | 5.62% | - | - |
| SDBC 3.65 05/21/29 | 4.12% | Agency | 4.46 |
| MEITUA 3.05 10/28/30 | 4.02% | Corporate | 5.70 |
| ADBCH 2.85 10/20/33 | 3.56% | Agency | 8.12 |

Duration Contribution by Country



Contribution to Duration by Maturity

| | % Contrib. |
|-------|------------|
| 0-1 | 0.06% |
| 1-3 | 0.17% |
| 3-5 | 2.75% |
| 5-7 | 29.12% |
| 7-10 | 34.80% |
| >10 | 33.11% |
| Total | 100.00% |

Duration Evolution

| | Portfolio |
|---------|-----------|
| 11-2023 | 6.69 |
| 12-2023 | 7.11 |
| 01-2024 | 7.09 |
| 02-2024 | 7.58 |
| 03-2024 | 7.55 |
| 04-2024 | 7.42 |

Sector Allocation

| | Portfolio |
|------------------------|-----------|
| Treasury | 37.85% |
| Government Related | |
| Agency | 47.37% |
| Local Authority | 1.11% |
| Supranational | 0.00% |
| Sovereign | 0.11% |
| Corporate | |
| Industrial | 16.88% |
| Financial Institutions | 1.90% |
| Utility | 0.07% |
| Securitized | - |

Portfolio Characteristics

| | Portfolio |
|-------------------------|-----------|
| Weighted Average Coupon | 3.14% |
| Current Yield | 3.31% |
| Average Rating | A |
| Yield to Worst* | 2.97% |

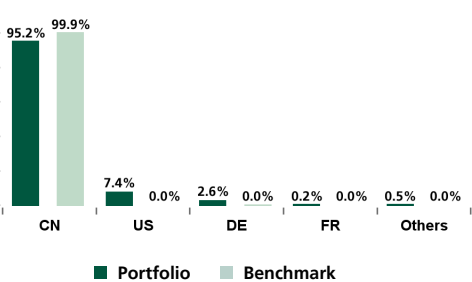
The portfolio Yield to Worst refers only to the component of fixed income and is calculated as a weighted average of returns of the single bond instruments, where the weighting takes place with respect to the value of the individual instrument. Returns hold account of the operating probabilities of the optional components possibly present in the bonds.

Allocation by Rating / Maturity*

| | 0-1 | 1-3 | 3-5 | 5-7 | 7-10 | >10 | Total |
|---------|-------|-------|--------|--------|--------|--------|--------|
| AAA | 0.41% | - | 0.16% | 5.92% | - | 1.05% | 7.53% |
| AA | 0.25% | 0.02% | 0.01% | - | - | - | 0.28% |
| A | 0.16% | 1.42% | 21.66% | 15.53% | 22.88% | 11.88% | 73.53% |
| BBB | 0.03% | 0.04% | - | - | 0.01% | - | 0.08% |
| BB | - | 0.04% | - | - | - | - | 0.04% |
| B | - | - | - | - | - | - | - |
| Below B | - | - | - | - | - | - | - |
| Total | 0.86% | 1.51% | 21.83% | 21.45% | 22.89% | 12.93% | |

*Instruments without ratings are excluded from the calculation.

Geographical Breakdown by Issuer



The sum of the weights represents the total bond exposure, including derivative instruments.

Allocation subject to change. Reference in this document to specific securities should not be construed as recommendation to buy or sell these securities.

Currency Risk Exposure*

| | Portfolio | Benchmark |
|-----|-----------|-----------|
| CNY | 81.71% | 100.00% |
| CNH | 18.67% | 0.00% |
| JPY | 0.05% | 0.00% |
| ZAR | 0.03% | 0.00% |
| USD | -7.21% | 0.00% |

*The figure refers only to classes not covered by exchange rate risk.

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Data as of 04/30/2024

Investment Manager Commentary

Market Development

Q1 GDP printed at 5.3%, exceeding the consensus expectations. However, the recovery is uneven: Investment spending aside from the property sector accelerated in March, boosted by ongoing policy support, while industrial production growth and retail sales both decelerated which showed that the economic revival is still bumpy. Property investment remained a big drag, despite a higher trading volume, the housing prices are falling continuously, and we are not seeing the bottom in the near term. The PBOC's intention to buy sovereign bonds ensured stronger monetary and fiscal coordination. Recently, the news that the PBOC will buy sovereign bonds from the second market has caught investors' attention and triggered market's discussion about whether it is the Chinese version of QE. Both the MOF and the PBOC have clarified that the operation is one of the normal monetary tools, focusing on smoothing the liquidity when the issuance of special bonds ramps up. In April, buying demand accelerated amid loose onshore market liquidity and delayed sovereign bonds issuance. Against this backdrop, both term spreads and credit spreads compressed to a historically low levels, whereby the ultra-long-end government bond yields traded below the MLF rate of 3.5%, which is considered as an anchor for long-end government bond yields and Tier2 bank bond yields declined to the same level as AAA+ credits despite a subordinated feature. We have started to turn alert on onshore bonds as sovereign bond and local government bond issuance may start to speed up and more supportive fiscal details are expected in the coming weeks which could lead to better data in Q2. Despite Fitch's changed China outlook, following Moody, the credit spreads of China IG credit remained stable due to limited new supply and a lack of attractive alternative assets. Although the spread of actively traded names is touching the lows, the absolute yield is still attractive on the back of the rising benchmark rate. Thus, we saw Chinese onshore investors stepping in on market weakness, cushioning volatility.

Performance and Investment Choices

The Fund's performance in April was positive. Due to the easing liquidity and unsatisfactory March data, the onshore bond yields traded down for most of the time in April. However, a central bank report warning bond investors that bond yields were too low has quickly turned sentiment around at the end of the month. We swiftly adjusted our onshore duration according to the market sentiment. At the end of the month, we have a short onshore duration compared to the benchmark. We also trimmed credit positions, given the historically low credit spreads. We maintained the offshore bonds position. On the currency front, we reduced long-EURUSD positions. Lastly, we maintained a higher ESG score than the benchmark and kept improving our ESG score.

Outlook and Investment Strategy

Onshore bond yields traded down rapidly in April and then retreated. As we advance, we believe that the economic fundamentals, liquidity conditions, and asset shortages will not change noticeably. However, the issuance of special sovereign bonds and announcements of more stimulus details may somehow weigh on onshore bonds. We will remain cautious in the near term by maintaining a short onshore duration compared to the benchmark and adjusting the curve in time. We will also maintain the offshore credit exposures in anticipation of lower US Treasury yields. On the currency front, we still believe that China's external surplus is too large for the renminbi to remain weak indefinitely. Finally, we will maintain the portfolio ESG score above the benchmark.

Source: Eurizon SLJ Capital Limited, the Investment Manager of the Sub-Fund.

This commentary constitutes opinions that are subject to change. Past performance is no guarantee of future performance.

Fund Overview

| | |
|---|---|
| Legal Status | Fonds Commun de Placement (FCP)/UCITS |
| Home jurisdiction of the Fund | Luxembourg |
| ISIN Code | LU1529955392 |
| Class Unit Inception Date | 02/23/2018 |
| Valuation | Daily |
| Bloomberg Code | EURBARZ LX |
| Entry costs | - |
| Exit costs | - |
| Management fees and other administrative or operating costs | 0.59% (of which management commission constitutes 0.40%) |
| Transaction costs | 0.44% |
| Performance fees | The performance fee calculation is based on a comparison of the net asset value per unit against the High Water Mark where the High Water Mark is defined as the highest net asset value per unit recorded at the end of the five previous financial years, increased by the year-to-date return of the fund's benchmark. The actual amount will vary depending on how well your investment performs. |
| Minimum amount | 3,000,000 EUR |
| Taxes | The tax treatment depends on the individual circumstances of each investor and may be subject to change in the future. Please refer to your financial and tax advisor. |
| Management Company | Eurizon Capital S.A. |
| Investment Manager of the Sub-Fund | Eurizon SLJ Capital Limited |
| Category | RMB BOND - ONSHORE |

In managing the fund, the SGR (Società di Gestione del Risparmio — asset management company) integrates sustainability risk analysis into its investment process, pursuant to Article 6 of Regulation (EU) 2019/2088; see the Sustainability Policy for more details.

The Sub-Fund is not an Index-tracking UCITS and then does not intend to passively replicate, track or leverage the performance of a Benchmark through synthetic or physical replication.

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Access to Fund documents and other information in your country

Before making an investment decision, you must read the Prospectus and KIDs, as well as the Management Regulations and the last available annual or semi-annual financial report and in particular the risk factors pertaining to an investment in the Sub-Fund and may be obtained at any time, free of charge on the Management Company's website www.eurizoncapital.com. These documents are available in English (and the KIDs in an official language of your country of residence) and paper copies may also be obtained from the Management Company upon request. This document does not constitute any investment, legal or tax advice. Please liaise with your tax and financial advisor to find out whether the Unit is suitable to your personal situation and understand the related risks and tax impacts.

The tax treatment depends on the individual circumstances of each client and may be subject to change in the future.

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IMPORTANT INFORMATION

Source of information and data related to the Unit of the Sub-Fund: Eurizon Capital SGR S.p.A, Società di gestione del risparmio, a public limited company (società per azioni) incorporated in Italy under number 15010 and having its registered office Via Melchiorre Gioia, 22 - 20124 Milan and authorized to act as investment manager under the supervision of CONSOB.

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