

# Eurizon Fund - Equity China Smart Volatility R, EUR Accumulation



Data as of 03/31/2024

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

<b>NAV (in EUR)</b>	92.42	<b>Fund Size (in EUR)</b>	95 mil	<b>Class Unit Inception Date</b>	07/16/1999
<b>Morningstar Rating <sup>TM</sup></b>	★★★	<b>Fund Manager</b>	Roberto Berzero	<b>Number of Holdings</b>	181
Morningstar Rating <sup>TM</sup> referred to 02/29/2024					

## Investment / Performance Objectives & policy

The fund mainly invests in Chinese equities listed in Hong Kong. To a small extent, the fund may also invest in equities listed in China. The fund generally favours direct investment but may at times invest through derivatives.

Specifically, the fund normally invests at least 51% of total net assets in equities and equity-related instruments that are traded or issued by companies that are located, or do most of their business, in the People's Republic of China, including Hong Kong. The fund may also invest through the Hong Kong Stock Connect programme.

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

- equities and equity-related instruments listed in the People's Republic of China, including A-shares: 20% (direct investment)

The fund may use derivatives for reducing risks (hedging) and costs, and to gain additional investment exposure.

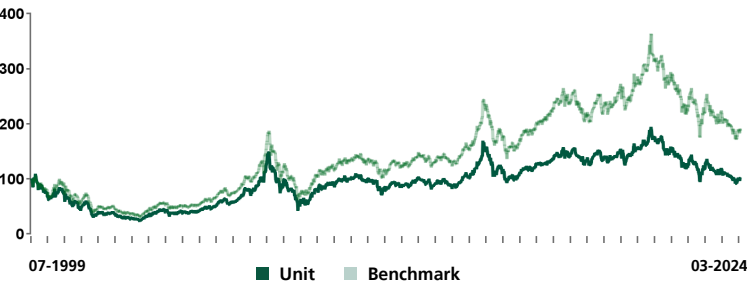
For more information read the Prospectus or Key Information Document (KID).

## Benchmark

MSCI China 10/40 Index® (in euro)

## Performance and NAV Evolution\*

### NAV Evolution since launch



### Cumulative and Annualized Performance

	Unit	Benchmark	Unit	Benchmark
	Cumulative		Annualized	
<b>YTD</b>	-0.78%	-0.42%	-	-
<b>1M</b>	0.53%	0.54%	-	-
<b>3M</b>	-0.78%	-0.42%	-	-
<b>1Y</b>	-16.66%	-16.25%	-	-
<b>3Y</b>	-42.61%	-41.70%	-16.93%	-16.50%
<b>5Y</b>	-32.46%	-24.14%	-7.54%	-5.38%
<b>Since Launch</b>	-6.73%	85.82%	-0.28%	2.54%
<b>Since 02/16/17</b>	-20.89%	-6.14%	-3.24%	-0.89%

### Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
<b>Annualized Volatility Unit</b>	21.19%	19.66%	23.02%	21.81%	26.94%
<b>Annualized Volatility Benchmark</b>	22.61%	20.83%	23.98%	23.20%	27.18%
<b>Tracking Error Volatility</b>	1.53%	1.42%	2.87%	4.11%	5.11%
<b>Sharpe Ratio</b>	-0.96	-1.01	-0.77	-0.36	-0.07
<b>Information Ratio</b>	-0.23	-0.29	-0.15	-0.53	-0.55
<b>Beta</b>	0.94	0.94	0.95	0.93	0.97

### Annual Performance (Calendar Year)

	Unit	Benchmark
<b>2023</b>	-14.28%	-13.99%
<b>2022</b>	-17.63%	-15.48%
<b>2021</b>	-14.06%	-13.99%
<b>2020</b>	13.60%	19.95%
<b>2019</b>	16.09%	24.43%

On 02/17/2017, the subfund's investment strategy has significantly changed compared to the previous one.

\*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 5 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 5 out of 7, which is a medium-high risk class.

This rates the potential losses from future performance at a medium-high level, and poor market conditions are will likely 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.

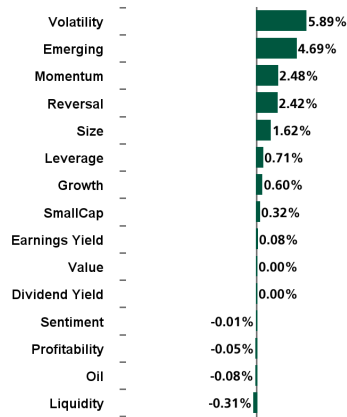
Data as of 03/31/2024

## Portfolio Information

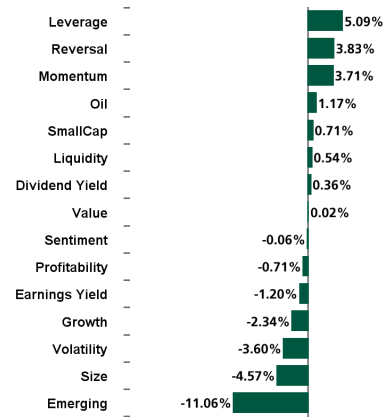
## Top 10 Holdings (excluding cash)

	Portfolio
TENCENT HOLDINGS LTD	8.25%
ALIBABA GROUP HOLDING LTD	7.74%
BTPS 0 12/15/24	7.18%
ISHARES BC EU TREASUR	6.82%
PDD HOLDINGS INC ADR	3.75%
MEITUAN CLASS B	3.39%
CHINA CONSTRUCT.BK-H	3.16%
NETEASE INC	2.21%
FUT HSCEI Futures Apr24	2.06%
BANK OF CHINA LTD-H	1.81%

## Risk Contribution by Style Factors



## Exposure to Style Factors



## Market Cap

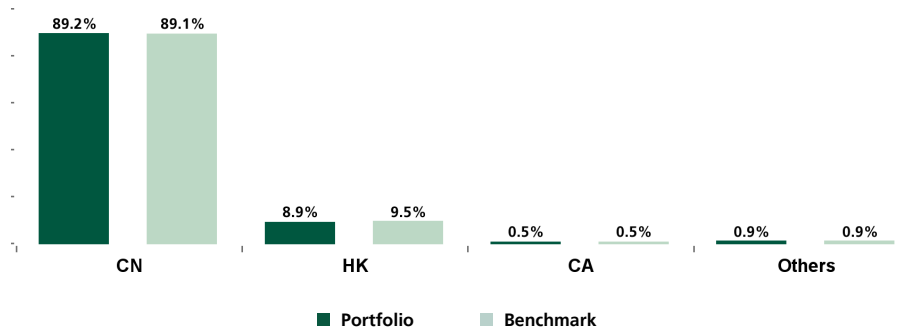
## Weight

> 10 billion	88.10%
5-10 billion	7.06%
1-5 billion	4.82%
0-1 billion	0.02%

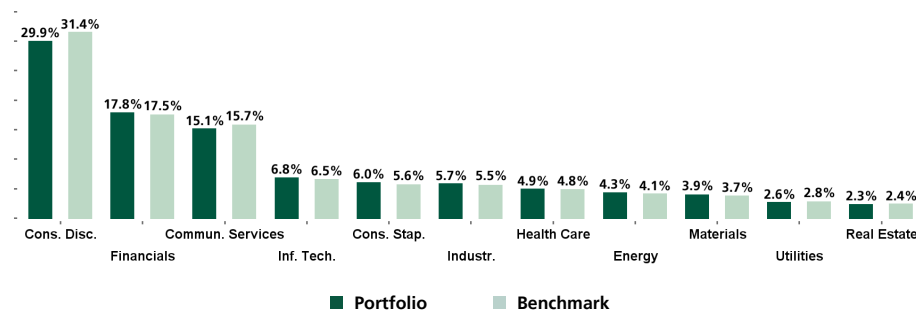
## Investment Valuation

Price/Book	1.0
Price/Earnings	9.3
Dividend Yield	2.9

## Geographical Breakdown (Equity)



## Sector Breakdown (Equity)



## Currency Risk Exposure\*

	Portfolio	Benchmark
HKD	67.16%	73.05%
CNH	22.05%	18.09%
CNY	6.35%	6.95%
USD	1.60%	1.67%
KYD	0.24%	0.24%

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

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

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Data as of 03/31/2024

Sustainability characteristics

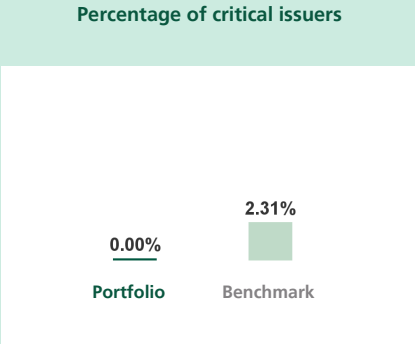
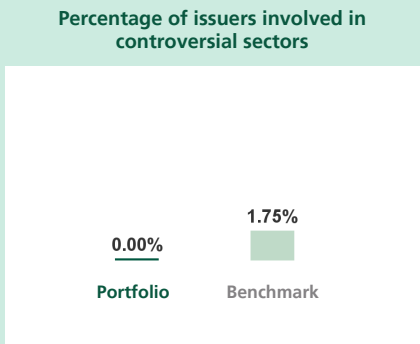
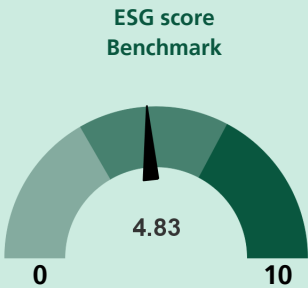
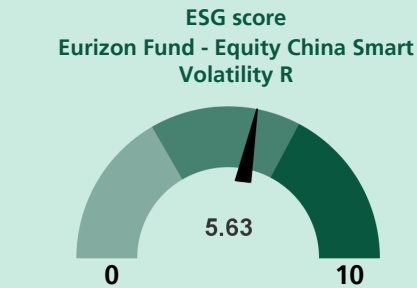
ESG score

The ESG score considers environmental, social and governance factors based on data on the individual issuer provided by MSCI ESG, which are then aggregated according to the underlying securities in the portfolio. The same methodology is also applied to the product benchmark.

SFDR Category

Article 8

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report for more details.



Values other than zero may be due to (i) discontinued issuers, in the best interest of participants and in accordance with current legislation, (ii) issuers for which an engagement activity is in progress or (iii) indirect exposures.

Source: Internal processing of data provided by MSCI ESG Research  
Survey period: 12-month rolling average

Appendix

Percentage of issuers involved in controversial sectors

Issuers operating in sectors deemed controversial (not “socially responsible”), to which restrictions or exclusions apply with respect to the entirety of the individual assets under management, are companies (i) that have a clear direct involvement in the manufacture of unconventional weapons; (ii) at least 25% of whose turnover is generated from thermal coal mining or power generation activities; (iii) at least 10% of whose turnover is generated from the exploitation of oil sands.

More specifically, unconventional weapons are understood as: anti-personnel mines; cluster bombs; nuclear weapons\*; impoverished uranium; biological weapons; chemical weapons; stealth cluster bombs; blinding lasers; incendiary weapons; white phosphorus.

These provisions do not apply to the activities permitted by the following treaties and/or conventions:

- The Ottawa Treaty (1997) which prohibits the use, stockpiling, production and transfer of anti-personnel mines; the Convention on Cluster Munitions (2008) which prohibits the use, stockpiling, production and transfer of cluster bombs;
- The Chemical Weapons Convention (1997) which prohibits the use, stockpiling, production and transfer of chemical weapons;
- The Biological Weapons Convention (1975) which prohibits the use, stockpiling, production and transfer of biological weapons;
- Regulation (EU) 2018/1542 concerning restrictive measures against the proliferation and use of chemical weapons;

These exclusions are also intended to comply with the requirements established by Law no. 220 of 9 December 2021 on measures to counter the financing of companies producing antipersonnel mines, cluster bombs and submunitions.

\*With regard to exclusions on nuclear weapons, issuers based in states that have adhered to the “Nuclear Non-Proliferation Treaty” stipulated on 1 July 1968 are not considered.

Percentage of critical issuers

“Critical” issuers are those companies having a higher exposure to environmental, social and corporate governance risks, i.e. which have a lower ESG sustainability rating level (equal to “CCC” assigned by the specialized info-provider) in the equity and bond investment category and for which an escalation process has been activated, or is being assessed, which determines restrictions and/or exclusions with respect to the entirety of the individual assets under management (“ESG Binding screening”).

Percentage of issuers selected on the basis of positive and negative criteria

The weight of government issuers that meet the specific positive and negative selection criteria identified by the Product, i.e. (i) issuers of green/sustainable bonds and (ii) companies publicly engaged in the energy transition process, particularly through the progressive reduction in Scope 1 and Scope 2 emissions to reach climate neutrality by 2050 (“Net Zero” goal).

Percentage of assets in government issuers meeting the screening criteria

The weight of government issuers that meet the selection criteria defined on the basis of the indicators of the “Sustainable Development Report” and Regulation (EU) 2019/2088 to monitor the principal adverse impacts relating to government issuers.

Percentage of assets in ESG or sustainable investment type UCIs

This is understood as assets of UCITS that promote environmental and/or social characteristics pursuant to Article 8 of Regulation 2019/2088 or which pursue sustainable investment objectives pursuant to Article 9 of said Regulation.

Carbon footprint

The value represents tonnes of carbon dioxide (direct - Scope 1 and indirect - Scope 2) of the investee companies in relation to their turnover.

Sustainable investment

Weighting (i) of issuers with net positive alignment with at least 1 of the United Nations’ 17 Sustainable Development Goals (SDG) and no misalignment with any of the SDGs and (ii) of green, social and sustainability bonds.

Data as of 03/31/2024

Investment Manager Commentary

Market Development

In March, the Chinese stock market remained relatively stable. The MSCI China 10/40 index gained almost 0.45% in USD. Onshore Chinese equities had a mixed performance, with CSI1000 up by 1.4% in USD while CSI500 lost -1.6%, consolidating the good performance experienced in February. In March, the equity market was supported by strength in Materials (precious and non-ferrous metals) and Communications Services. The National People's Congress (NPC), the highest organ of state power, was held starting on March 5th. The main takeaways are: 1) The GDP growth target for 2024 is set at around 5%, with CPI at 3% and the goal of adding 12 million new jobs. 2) There is a multi-year special sovereign bond issuance plan with 2024E at Rmb1tn, which shows the central government is taking action to help mitigate debt repayment risks at the local government level. 3) On the monetary side: The monetary policy should be both flexible and appropriate, while also being precise. It should aim to lower funding costs for the real economy and maintain a stable CNY FX at a reasonable equilibrium. On the macroeconomic side, China's NBS manufacturing PMI increased to 50.8 in March from 49.1 in February, exceeding expectations. The headline Caixin manufacturing PMI also rose to 51.1 from 50.9. Modest increases were observed in the output, new orders, and employment sub-indices. Additionally, the new export order sub-index reached its highest level since last March. Both the Caixin and NBS manufacturing PMIs increased in March, indicating an improvement in the manufacturing sector conditions at the end of the first quarter. On the monetary side, the PBOC held its Q1 Monetary Policy Committee (MPC) meeting on March 29th. In line with the Government Working Report, the PBOC maintained a pro-growth stance and focused on improving monetary policy transmission at the meeting. The authority stated that it will maintain its structural monetary policy to support targeted areas, such as increasing agriculture and SME relending and rediscount quota. It is also likely that a new relending/rediscount program for the consumer goods trade-in and equipment upgrade program will be introduced. The PBOC reaffirmed its supportive stance towards property developers and pledged to maintain a stable exchange rate. Furthermore, the authority will monitor changes in long-term interest rates. In March, the Materials and Communication Services sectors were the best performers, gaining 10% and 6% respectively in USD. Meanwhile, the Health Care and Financial sectors were the worst performers, losing 9.5% and 2.2% respectively in USD.

Source: Eurizon Capital S.A., 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	Luxemburg
ISIN Code	LU0090980383
Class Unit Inception Date	07/16/1999
Valuation	Daily
Bloomberg Code	SPEQTCH LX
Entry costs	Max 3.00%
Exit costs	-
Management fees and other administrative or operating costs	1.76% (of which management commission constitutes 1.50%)
Transaction costs	0.15%
Performance fees	-
Minimum amount	500 EUR (50 EUR if the Paying Agent is State Street Bank International GmbH - Italian Branch).
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 Capital S.A.
Category	CHINA EQUITY

The fund is qualified pursuant to Article 8 of Regulation (EU) 2019/2088; see the Sustainability Report 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.

Data as of 03/31/2024

## 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](http://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.

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## IMPORTANT INFORMATION

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