

Eurizon Fund - Bond Aggregate RMB ZD, EUR Distribution



Data as of 06/30/2024

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

NAV (in EUR)	110.76	Fund Size (in EUR)	363 mil	Number of Holdings	42
Morningstar Rating™	★★★★	Fund Manager	Eurizon SLJ Capital Limited		
Morningstar Rating™ referred to 05/31/2024					
Class Unit Inception Date	11/09/2020				

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%

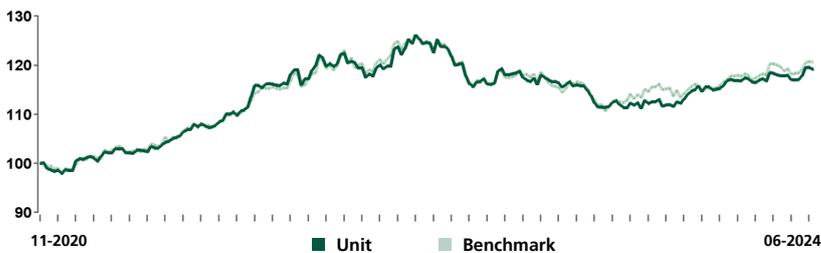
The fund does not invest directly in asset-backed securities, only indirect exposure to them is allowed. For more information read the Prospectus or Key Information Document (KID).

Benchmark

Bloomberg China Aggregate Bond Index® (total return)

Performance and NAV Evolution*

NAV Evolution since launch



Cumulative and Annualized Performance

	Unit	Benchmark	Unit	Benchmark
	Cumulative		Annualized	
YTD	3.08%	4.56%	-	-
1M	1.75%	1.89%	-	-
3M	1.59%	2.10%	-	-
1Y	6.84%	7.91%	-	-
3Y	13.39%	14.63%	4.28%	4.67%
5Y	-	-	-	-
Since Launch	19.50%	20.45%	5.02%	5.26%

Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
Annualized Volatility Unit	4.13%	4.58%	6.47%	-	6.18%
Annualized Volatility Benchmark	4.41%	5.25%	6.61%	-	6.28%
Tracking Error Volatility	1.59%	2.66%	2.04%	-	1.85%
Sharpe Ratio	0.72	0.75	0.48	-	0.67
Information Ratio	-1.94	-0.40	-0.19	-	-0.13
Beta	0.87	0.75	0.93	-	0.94

Annual Performance (Calendar Year)

	Unit	Benchmark
2023	-0.73%	-0.76%
2022	0.49%	1.01%
2021	17.59%	16.65%
2020	-	-
2019	-	-

*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.

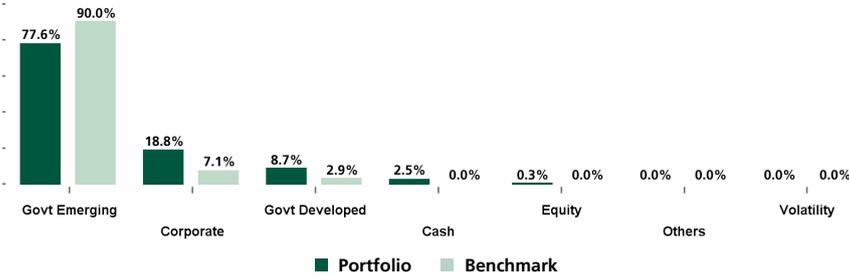
This rates the potential losses from future performance at a medium-low level, and poor market conditions are unlikely to impact the capacity to pay you.

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.

Sector Allocation

	Portfolio
Treasury	41.66%
Government Related	
Agency	47.96%
Local Authority	1.16%
Supranational	0.00%
Sovereign	0.13%
Corporate	
Industrial	13.24%
Financial Institutions	0.16%
Utility	0.08%
Securitized	-

Derivatives	Weight
Currency	-
Equity	-
Interest rate	7.08%

Top 10 Holdings (excluding cash)

	Weight	Sector	Duration
EXIMCH 2.85 07/07/33	12.07%	Agency	7.71
CGB 2.62 09/25/29	9.28%	Government	4.79
CGB 2.8 03/24/29	8.49%	Government	0.00
HUIJIN 4.2 09/20/40	6.14%	Agency	11.88
SDBC 3.09 08/09/28	6.04%	Agency	0.00
FUT US 10YR NOTE (CBT)Sep24...	5.99%	-	-
CGB 2.76 05/15/32	5.91%	Government	7.04
SDBC 3.65 05/21/29	4.18%	Agency	4.47
MEITUA 3.05 10/28/30	4.07%	Corporate	5.56
ADBCH 2.85 10/20/33	3.75%	Agency	7.99

Duration Evolution

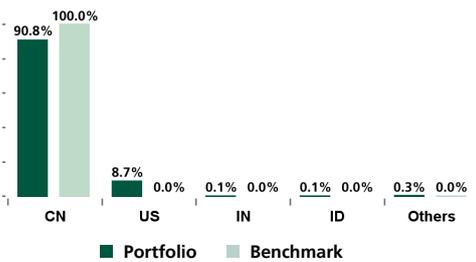
	Portfolio
01-2024	7.09
02-2024	7.58
03-2024	7.55
04-2024	7.42
05-2024	7.57
06-2024	7.80

Portfolio Characteristics

	Portfolio
Weighted Average Coupon	3.13%
Current Yield	3.17%
Average Rating	A
Yield to Worst*	2.93%

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.

Duration Contribution by Country



Contribution to Duration by Maturity

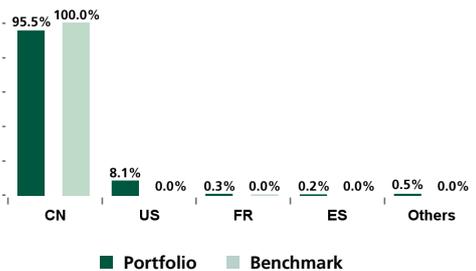
	% Contrib.
0-1	0.04%
1-3	0.13%
3-5	5.46%
5-7	22.59%
7-10	28.14%
>10	43.65%
Total	100.00%

Allocation by Rating / Maturity*

	0-1	1-3	3-5	5-7	7-10	>10	Total
AAA	0.51%	-	0.19%	6.39%	-	1.14%	8.23%
AA	0.29%	0.02%	0.01%	-	-	-	0.32%
A	0.20%	0.01%	25.08%	15.55%	22.80%	14.59%	78.23%
BBB	0.04%	0.05%	-	-	0.01%	0.46%	0.55%
BB	-	0.05%	-	-	-	-	0.05%
B	-	-	-	-	-	-	-
Below B	-	-	-	-	-	-	-
Total	1.03%	0.13%	25.29%	21.94%	22.81%	16.18%	

*Instruments without ratings are excluded from the calculation.

Geographical Breakdown by Issuer



Currency Risk Exposure*

	Portfolio	Benchmark
CNY	81.16%	100.00%
CNH	12.82%	0.00%
JPY	0.05%	0.00%
ZAR	0.04%	0.00%
USD	-6.75%	0.00%

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

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.

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Data as of 06/30/2024

Investment Manager Commentary

Market Development

China continued to face uneven growth, with the May data showing industrial production and investment coming in softer than expected while retail sales saw a beat. The ongoing drag from the property sector has yet to dissipate, with ongoing contractions in property-related investment and sales despite the intense supportive policies. The sluggish income expectation and unemployment will continue to pose a headwind on domestic demand and economic growth.

Supply remains rather muted, running well below maturities and early redemptions. Demand from local investors, particularly from China onshore, continued as offshore yield is much more attractive than onshore. The spread did widen a bit in the last week of July due to weak macro, compensation of benchmark drop, and potential month-end/half year-end effect, but a significant effect is unlikely. We continue to like good quality TMT names that provide decent yield pickup. With spread in a narrow range bound, the key driver will be the US yield. Current softer consumer data pointed to a downward trajectory for the UST. We are positioned for the lower UST and closely monitor the data.

EU has announced the additional tariff on Chinese exported EVs with different tariff rates according to the export volume and the degree of the Chinese auto manufacturer's cooperation. It will take effect on July 4th. Given that the ASP (average selling price) of Chinese EVs sold in the EU market is around 7-10 times that in China, the Chinese exported EVs have quite a generous profit margin. Even if the additional tariff completely falls on auto manufacturers, the impact on the profit margin is limited and acceptable. According to Chinese customs data, China's EVs exported to the EU accounted for only 9% of total auto export volume in 2023. In addition, many auto OEMs have started establishing local factories in Europe. Thus, we believe the overall impact on the Chinese auto sector is controllable. The negotiation between China and the EU on whether to roll back the additional tariff is underway. If the EU agrees to revoke the tariff announcement, Chinese auto manufacturers will benefit.

Performance and Investment Choices

The Fund's performance in June was positive. In June, the poor data and lacklustre equity supported the rallying of onshore bonds. The asset shortage situation remained. Both term spreads and credit spreads stayed at the historical low. We increased our onshore duration towards the benchmark level. We also maintained the offshore bond positions, and the positions started to benefit from the UST yields trending down. On the currency front, we maintained the small long-EURUSD and EURCNY positions.

Outlook and Investment Strategy

Onshore bond yields trended down noticeably in June. The weak domestic demand and the inability to stabilize the property market will continue to weigh on economic growth in the near term; thus, the bonds should continue to perform, we believe, despite some volatility at the quarter end. We will maintain the closed duration to benchmark and monitor any incremental information, such as the 3rd plenum meeting in the upcoming weeks. We will also maintain the offshore credit exposures in anticipation of lower UST yields. On the currency front, we still believe that China's external surplus is too large for the RMB to remain weak indefinitely.

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	Luxemburg
ISIN Code	LU2191353940
Class Unit Inception Date	11/09/2020
Valuation	Daily
Bloomberg Code	EUBARZD 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.

All information contained herein is accurate as at the date of publication and are subject to change.

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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.

Morningstar Rating based on the Unit of this document. For more details about the methodology, please refer to the Glossary as well as the following link: https://www.morningstar.com/content/dam/marketing/shared/research/methodology/771945_Morningstar_Rating_for_Funds_Methodology.pdf. Morningstar's Morningstar rating is a quantitative assessment of past performance that takes into account risk and costs imputed. It does not take into account qualitative elements and is calculated on the basis of a (mathematical) formula. The classes are categorized and compared with similar UCITS classes, based on their score and they receive one to five stars. In each category, the top 10% receive 5 stars, the next 22.5% 4 stars, the next 35% 3 stars, the next 22.5% 2 stars, and the last 10% receive 1 star. The rating is calculated monthly on the basis of historical performance over 3, 5 and 10 years and does not take into account the future.

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