Eurizon Fund - China Opportunity Z, EUR Accumulation

EURIZON
ASSET MANAGEMENT

Data as of 06/30/2024

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

NAV (in EUR)	90.31	**Fund Size (in EUR)**	34 mil	**Class Unit Inception Date**	09/22/2021
Morningstar Rating ™	No Rating	**Fund Manager**	Eurizon SLJ Capital Limited	**Number of Holdings**	67
Morningstar Rating ™ referred to 05/31/2024					

Investment / Performance Objectives & policy

The fund mainly invests, either directly or through derivatives, in Chinese corporate and government bonds and money market instruments denominated in onshore or offshore renminbi. These investments may be below investment grade and some of them may be highly speculative. The fund may also invest significantly in Chinese equities. Specifically, the fund normally invests at least 80% of total net assets in debt and debt- related securities, including covered and convertible bonds, equities and equity-related instruments, and money market instruments, that are traded or are from issuers that are located, or do most of their business, in the 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), and may 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, including China A shares: 50%
- 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.
The fund''s net exposure to renminbi currency is at least 51% of total net assets.

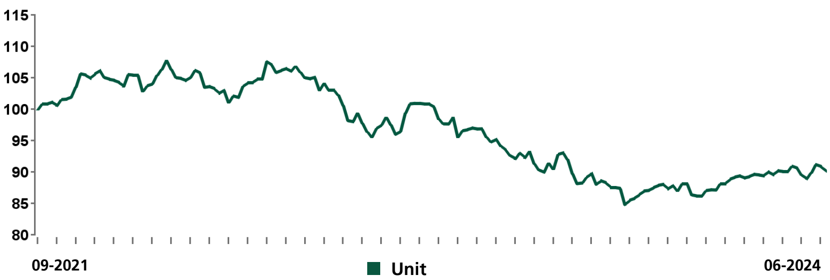
For more information read the Prospectus or Key Information Document (KID).

Benchmark

It should be noted that no meaningful benchmark comparison is possible in connection with this type of product, therefore no benchmark has been identified.

Performance and NAV Evolution*

NAV Evolution since launch



Cumulative and Annualized Performance

	Unit	
	Cumulative	**Annualized**
YTD	2.33%	-
1M	1.40%	-
3M	0.71%	-
1Y	-0.18%	-
3Y	-	-
5Y	-	-
Since Launch	-9.69%	-3.62%

Fund Statistics

	6M	1Y	3Y	5Y	Since Launch
Annualized Volatility Unit	5.88%	7.97%	-	-	8.37%
Sharpe Ratio	0.25	-0.45	-	-	-0.59
Max Drawdown	-2.22%	-8.62%	-	-	-21.30%
Recovery Period (days)	12	-	-	-	-

Annual Performance (Calendar Year)

	Unit
2023	-8.67%
2022	-7.76%
2021	-
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

Lower risk **Higher risk**

1 2 3 **4** 5 6 7

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 4 out of 7, which is a medium risk class.

This rates the potential losses from future performance at a medium level, and poor market conditions are could 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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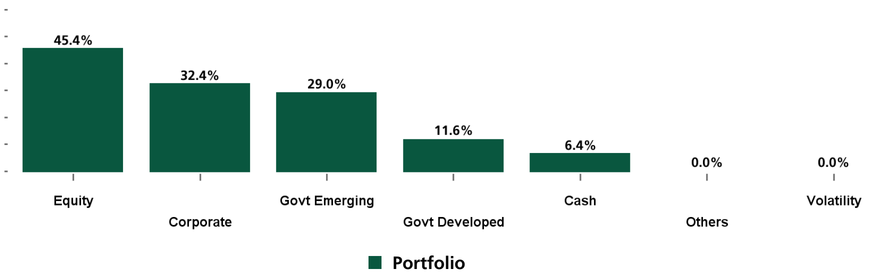
Portfolio Information

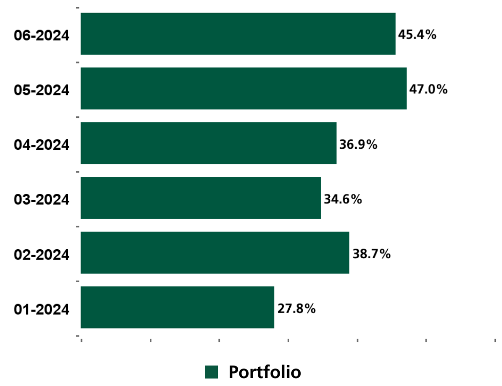
Asset Breakdown*



*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	15.51%
Interest rate	6.62%

Equity Exposure Evolution



Top 5 holdings (Bond)

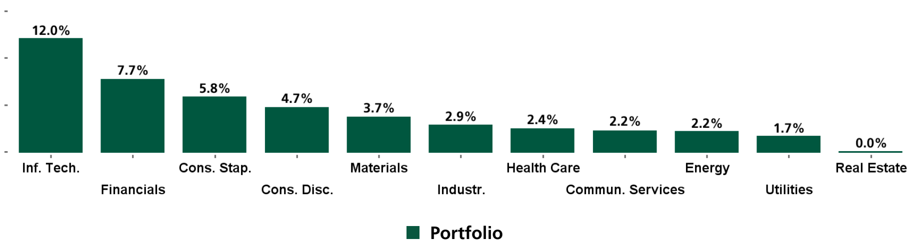
	Weight
CGB 2.62 09/25/29	15.93%
FUT US 10YR NOTE (CBT)Sep24	4.55%
CGB 2 3/4 02/17/32	3.99%
CGB 2.62 06/25/30	3.91%
MEITUA 3.05 10/28/30	3.58%

Top 5 holdings (Equity)

	Weight
FUT NASDAQ 100 E-MINI Sep24	10.98%
FUT FTSE CHINA A50 Jul24	4.53%
CHINA MERCHANTS BANK-A	1.91%
ZHONGJI INNOLIGHT CO LTD-	1.76%
ZIJIN MINING GROUP CO LTD	1.74%

Market Cap	Weight
> 10 billion	98.06%
5-10 billion	1.84%
1-5 billion	0.10%
0-1 billion	-

Sector Breakdown (Equity)

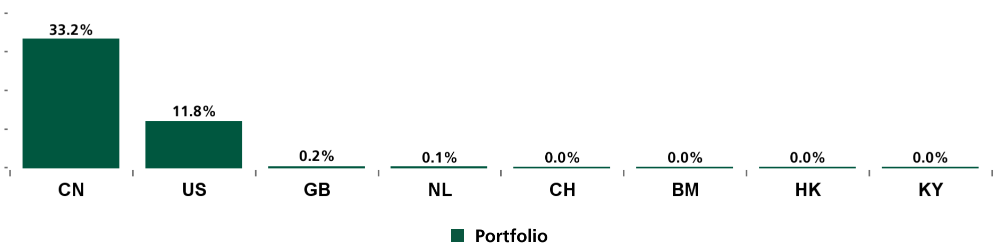


Currency Risk Exposure*

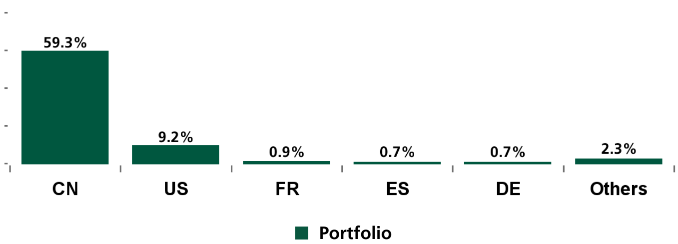
	Portfolio
CNY	47.61%
CNH	43.66%
HKD	2.22%
JPY	0.20%
ZAR	0.14%
USD	-17.95%

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

Geographical Breakdown (Equity)



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.

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EURIZON ASSET MANAGEMENT

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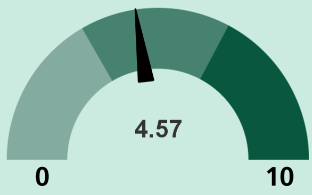
Sustainability characteristics

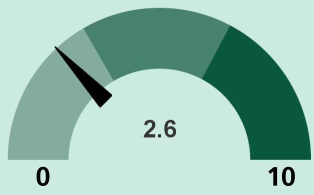
ESG score

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's investment universe.

ESG score
Eurizon Fund - China Opportunity Z



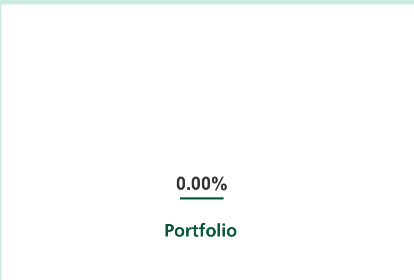
ESG score
Investment universe



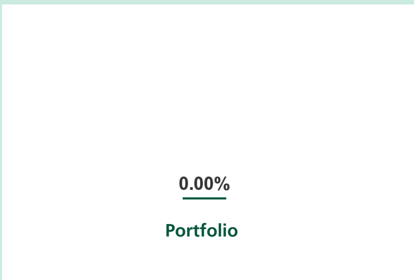
SFDR Category
Article 8

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

Percentage of issuers involved in controversial sectors



Percentage of critical issuers



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 weighting of issuers that comply with 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.

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. Chinese equity markets declined in June, with CSI 300 down 3.3% and MSCI China A down 4.0%. Market sentiment turned muted again this month due to the weak May economic data and lack of further meaningful policy support. Our total equity exposure remained stable at 42% in June. Sector-wise, we slightly switched from Consumer to IT, on the continuously weakening consumption sentiment, and more promising AI and Apple supply chain prospects.

Outlook and Investment Strategy

Onshore bond yields trended down noticeably in June. The weak domestic demand and the inability to stabilise 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. For equities, all eyes will be on the third Plenum on 15 - 18 July, which will decide the reform direction for the coming years.

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	LU2215043725
Class Unit Inception Date	09/22/2021
Valuation	Daily
Bloomberg Code	EUEOZEA LX
Entry costs	-
Exit costs	-
Management fees and other administrative or operating costs	0.69% (of which management commission constitutes 0.50%)
Transaction costs	0.58%
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	GREATER CHINA ALLOCATION

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

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.
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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. MorningThe 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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