



Monthly Factsheet Data as of 28 April 2023

#### Ping An of China Asset Management Fund

## China Green Bond Fund

#### Risk Disclosure

- Ping An of China Asset Management Fund China Green Bond Fund (the "Fund") primarily invests in international standard aligned green bonds (i.e. those which follow Green Bond Principles of the International Credit Market Association) issued by China issuers via the Bond Connect and/or a RQFII channel, and other emerging market issuers with the aim to promote green financing, bring upon advancement in environmental friendly investments and social awareness in emerging market countries.
- The Fund may invest in (i) debt securities rated below investment grade or unrated; (ii) fixed-income securities with loss absorption features which are subject to the risk of being written down or converted to ordinary shares upon the occurrence of trigger events resulting in a significant or total reduction in value; and (iii) asset-backed securities and mortgage-backed securities, all of which are typically subject to higher default, volatility and liquidity risks. The Fund is also subject to other risks associated with debt securities (e.g. interest rate, credit rating and downgrading, valuation, convertible bond and urban investment bond risks) and is exposed to risks relating to securities lending, over-the-counter sale and repurchase and/or reverse repurchase transactions.
- The Fund's investments are concentrated in green fixed income instruments predominantly issued in China which is an emerging market. The Fund may underperform funds that do not focus on green fixed income instruments, and may be more volatile than a fund with a more diverse portfolio. The Fund is also subject to RMB and PRC tax risks.
- The Fund may use derivatives for investment, hedging and efficient portfolio management purposes. Use of derivatives may expose the Fund to significant losses.
- There is no guaranteed dividend payment. Distribution may be paid out of capital which amounts to a return or withdrawal of part of the amount of an investor's original investment or from any capital gains attributable to that original investment and may result in an immediate decrease in the NAV per share.
- The investment decision is yours. You should not base your investment decision on this factsheet alone. Please refer to the Fund's Hong Kong Offering Documents for further details, including the risk factors.

#### **Investment Objective**

The Fund aims to achieve absolute return from investment income and long term capital appreciation. The Fund mainly invests in international standard aligned green bonds predominantly issued by China issuers via the Bond Connect or an RQFII channel for exchange traded bonds, and other emerging market issuers with the aim to promote green financing and bring upon advancement in environmental friendly investments and social awareness in emerging market countries.

# Fund Details

Investment Manager	Ping An of China Asset Management (Hong Kong) Company Limited			
Domicile	Luxembourg			
Base Currency	USD			
Other Currencies of Share Classes	HKD/ CNH			
Fund Inception Date	8 November 2019			
Fund Size	USD 91.0 million			
Dealing Frequency (1)	Daily			
Distribution Policy (2)	Semi-annually			
Minimum Investment Amount	Retail Share Classes - USD 10,000 (Initial) - USD 10,000 (Subsequent)			
Subscription Fee	None			
Management Fee	Up to 1% p.a.			
Redemption Fee	None			
Custodian & Administrator	HSBC Continental Europe, Luxembourg			

# Portfolio Statistics Average Yield to Maturity (3) 5.41% Average Modified Duration (3) 3.26 years Average Credit Rating (3) A-

For further details about the Fund, please refer to the Offering Document.

#### **Fund Performance**



Cumulative Performance Since							
	YTD	1-Month	3-Month	6-Month	1-Year	3-Year	Performance Inception*
Class S (USD) (UH) (R)	2.92%	0.55%	1.09%	7.44%	-1.21%	-8.80%	-9.83%
Class RE (USD) (UH) (D)	2.57%	0.47%	0.84%	6.89%	-2.23%	-	-17.16%
Class RE (HKD) (UH) (D)	3.31%	0.46%	1.00%	6.90%	-2.20%	-	-16.30%

#### Calendar Year Performance

	2022	2021*	2020	2019*	
Class S (USD) (UH) (R)	-14.17%	-4.13%	6.37%	0.11%	
Class RE (USD) (UH) (D)	-15.07%	-4.90%	-	-	
Class RE (HKD) (UH) (D)	-15.13%	-4.54%	-	-	

Class S (USD) (UH) (R) is not available to the public of Hong Kong.

Past performance is not a guide to future performance. Performance is calculated based on NAV-to-NAV with dividend reinvested (if any). (UH): Unhedged. (R): Capital-accumulation. (D): Dividend distribution. The period from 11 November 2019 to 11 March 2020 was portfolio construction period of the Fund.

period of the Fund.
The historical performance that is displayed here corresponds to the period where the Fund was qualifying as a different type of fund, i.e. a Reserved Alternative Investment Fund (RAIF), before its conversion into an Undertaking Collective Investment in Transferable Securities (UCITS) on 20 August 2020. Although the investment objectives, strategies and policies of the Fund have not materially changed at the time of the conversion, the past performance disclosed is for indicative purposes only, should not be relied on in connection with any investment decision and does not constitute any guarantee for future returns.

\* Performance of Class S (USD) (UH) (R) for calendar year 2019 and Class RE (USD) (UH) (D) and Class RE

\* Performance of Class S (USD) (UH) (R) for calendar year 2019 and Class RE (USD) (UH) (D) and Class RE (HKD) (UH) (D) for calendar year 2021 is calculated from its share class performance inception date to 31 December 2019 and 31 December 2021 respectively.

#### **Share Class Information**

Share Class	Class S (USD) (UH) (R)	Class RE (USD) (UH) (D)	Class RE (HKD) (UH) (D)	Class RE (USD) (UH) (R)	Class RE (HKD) (UH) (R)
ISIN	LU2071385509	LU2069541089	LU2069542137	LU2069540941	LU2069542053
Bloomberg Ticker	PINCGBS LX	PIMGBRE LX	PIMGBHK LX	PIMGBUS LX	PIMGBRU LX
Performance Inception Date	11 November 2019	8 July 2021	8 July 2021	N/A	N/A
Month-end NAV	USD 90.17	USD 82.84	HKD 83.70	N/A	N/A

 $<sup>^{\</sup>rm 1}{\rm Any}$  day on which the banks are fully open for normal business banking in Luxembourg and Hong Kong.

<sup>&</sup>lt;sup>2</sup> Currently in June and December each year for each dividend distribution share class. Dividend payout is not guaranteed.

<sup>&</sup>lt;sup>3</sup> Source: FactSet.



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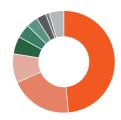
## **China Green Bond Fund**

#### Sector Allocation (%)



- Real Estate 14.89%
- Diversified Financial Service 12.93%
- Banks 11.30%
- Transportation 9.46%
- Energy-Alternate Sources 5.95%
- Home Furnishings 4.80% ■ Computers 4.57%
- Gas 3.32%
- Others 28.18%
- Cash & Cash Equivalents 4.59%

#### Country/Region Allocation (%)



- China 48.70%
- Hong Kong 19.64%
- India 9.31%
- United States of America 5.50%
- Singapore 4.48%
- Korea 3.75%
- Indonesia 2.99%
- Saudi Arabia 1.04%
- Cash & Cash Equivalents 4.59%

#### Credit Rating Allocation (4) (%)



- AAA 5.50%
- AA 12.43%
- A 28.40%
- BBB 34.77%
- BB 4.40%
- Unrated 9.91%

(5)

(6)

■ Cash & Cash Equivalents 4.59%

Top 5 Holdings (%)			
Holdings	Coupon	Maturity	(%)
MTR Corp CI Ltd	2.500%	02/11/2026	4.80%
Midea Investment Development Co Ltd	2.880%	24/02/2027	4.80%
Lenovo Group Ltd	6.536%	27/07/2032	4.57%
Vena Energy Capital Pte Ltd	3.133%	26/02/2025	4.48%
China Merchants Bank Co Ltd/Hong Kong	1.200%	10/09/2025	4.05%

#### **Awards**

#### **House Award**

#### **Bloomberg** Businessweek 彭博商業周刊/中文版



Asset management Awards
2020 Winner

Asset Management (Hong Kong)

ESG

2021

#### **Fund Award**



#### Review

While the turmoil at regional US banks continued, with concern spreading to other regional banks, market volatility generally improved. Both the VIX (Chicago Board Options Exchange Volatility Index) and MOVE Index (ICE BofA MOVE Index) stabilized during the month. The market appears to look past the May Federal Open Market Committee (FOMC) meeting with expectations for a final hike widely set, and towards the impending US debt ceiling.

US Treasuries were range bound in April after briefly touching year-to-date lows of 3.3%. Yields of the US 10-year Treasuries traded within a range of 30 basis points (bps) during the period, reaching a high of 3.6%, and ended the month around the same levels as entering the month. The US 2-year Treasuries settled into a lower trading range as compared to the first three months of the year, reflecting higher market expectations of rate cuts.

The Fund returned 0.55% in April in USD^, supported by stable carry as the treasury curve volatility was less pronounced during the period. The Bloomberg Asia Ex-Japan USD Credit China Investment Grade Index returned 0.75% during the month.

#### Outlook

With expectations for the penultimate FOMC rate hike of 25bps well priced in, we expect the Fed to hold Fed Funds rates steady until year-end. The imminent regional banking crisis playing out in the US is likely to tighten credit lending and add pressure to the economy, in effect mirroring the impact of a rate hike. Uncertainty surrounding the development of the regional banking crisis and commercial real estate will lead to a slow grind lower for rates, as risk-off demand suppresses rates. While pockets of opportunity may present itself with small upside surprises in employment and inflation figures, as well as technical factors such as a potential shift of Bank of Japan language on yield curve control, we still see the medium term trend for yields to shift lower. These support our long held thesis that weakness in employment, rental, and energy prices will begin to trickle through and emerge in the data.

New issuance slowed during the month. There have been a few rare and/or new issuers approaching the markets from Asia, such as REC Limited, PT Pertamina Geothermal Energy and ReNew Energy Global PLC. Investment grade green issues have mostly performed well with decent subscription demand. However, there has been a glaring gap in Chinese green new issuance, even in the non-green space. We expect to see a pick up in financial new issues towards the end of the year.

<sup>4</sup> Credit rating allocation by Ping An of China Asset Management (Hong Kong) Company Limited assigns each security or its parent company the higher rating from three credit agencies (Moody's, S&P and Fitch). If only one agency assigns a rating, that rating will be used. Securities that are not rated by all three agencies are reflected as unrated. The lower the overall credit rating, the riskier the portfolio. The credit rating is expressed as a regular letter rating (from high to low quality): AAA, AA, A, BBB, BB, ...D. <sup>3</sup> Source: Bournee: Bloomberg Businessweek/Chinese Edition ESG Leading Enterprise Awards 2020 (Investing), as of November 2021. <sup>6</sup> Source: Sais Risk Magazine Asia Risk Asset Management Firm of the Year), as of September 2020. <sup>7</sup> Source: Environmental Finance Sustainable Investment Awards 2020 (ESG Fixed Income Fund of the Year, Asia), as of 28 June 2021. <sup>^</sup> Based on Class S (USD) (UH) (R).

Fund Allocation: Fund allocations are a percentage of investments in asset categories (i.e. total sum of investments in securities, cash at bank and interest receivable on securities) as of the end of the period. The asset category of the Fund is based on its predominant investments under normal market conditions. The Fund may shift allocations among asset classes at any time without prior notice. Percentage may not equal 100% due to rounding. Top Holdings: These securities do not represent all of the securities purchased, sold or recommended for clients, and the reader should not assume that investment in the securities listed was or will be profitable. The portfolio manager for the Fund reserves the right to withhold release of information with respect to holdings that would otherwise be included in the top holdings list. **Review and Outlook:** Unless otherwise specified, all market data contained herein are from Bloomberg.

#### **Contact Us:**



asset.pingan.com.hk



(+852) 3762 9292



PUB\_PAAMHK\_IS@pingan.com.hk

#### Disclaimer

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