E FUND 易方達

E Fund Investment Fund Series

E Fund (HK) RMB Fixed Income Fund

★★★★ Morningstar Rating™ As at 31-8-2020*

Data as of 31 Aug 2020

Important Note :

1. E Fund Investment Fund Series – E Fund (HK) RMB Fixed Income Fund (the "Sub-Fund") is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal. There is also no guarantee of dividend or distribution payments during the period you hold the units of the Sub-Fund. The instruments invested by the Sub-Fund may fall in value and therefore your investment in the Sub-Fund may suffer losses.
2. The Sub-Fund invests primarily in RMB denominated and settled debt securities issued within China through the Renminbi Qualified Foreign Institutional Investor ("RQFII") quota of the Manager. The Sub-Fund is denominated in RMB and may be subject to a) RMB currency risk and foreign exchange risk, b) Risks relating to China market / Single Country Investment Risk, c) PRC tax risk, d) Risks relating to RQFII, e) Currency conversion risk, f) Convertible bonds risk, g) Risks relating to debt securities (including Credit risk, Risk relating to credit rating, Downgrading risk, Interest rates risk, Valuation risk, Liquidity risk and Risk associated with urban investment bonds), h) Risks relating to repurchase agreements, i) Risks relating to reverse repurchase agreements.
3. The Sub-Fund may invest in derivatives for hedging or investment purposes to the extent permitted by the Code and in adverse situations its use of financial derivative instruments may become ineffective and/or cause the Sub-Fund to suffer significant loss.
4. Distributions of the Sub-Fund may be paid out of the capital of the Sub-Fund. Investors should note that payment of distributions out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment and such distributions may result in an immediate reduction of the net asset value of the relevant units.
5. You should not invest in the Sub-Fund unless the intermediary who sells it to you has explained to you that the Sub-Fund is suitable for you having regard to your financial situation, investment experience and objectives.
6. Investors should not invest in the Sub-Fund based on this document alone. Please read the Sub-Fund's offering documents for details and risk factors.

Investment Objective

E Fund (HK) RMB Fixed Income Fund (the "Sub-Fund") seeks to achieve long term capital growth in RMB terms through investment in a portfolio consisting primarily of RMB denominated and settled fixed income debt instruments issued or distributed within China which aim to generate a steady flow of income in addition to capital appreciation for the Sub-Fund.

- The exposure to urban investment bonds may be up to 100% of the Sub-Fund's Net Asset Value.
- The Sub-Fund will invest at least 70% of its Net Asset Value in "Onshore Debt Securities", fixed income funds which are authorised by the China Securities Regulatory Commission ("CSRC") for offer to the retail public in China, and debt instruments issued outside of China and denominated in RMB.
- The Sub-Fund may invest less than 30% of its Net Asset Value in Offshore Debt Securities.
- The Sub-Fund may also invest in fixed income funds and/or equity funds which are issued and offered outside China. The aggregate investments in fixed income funds and equity funds (whether authorised by the CSRC for offer to the retail public in China or issued and offered outside China) will be up to 10% of the Net Asset Value of the Sub-Fund.
- The Sub-Fund, enter into repurchase and/or reverse repurchase transactions outside China for up to 20% of the NAV of the Sub-Fund with a view to creating additional income.
- The Sub-Fund may invest in derivatives for hedging purposes only.

Cumulative Performance**

Source: Bloomberg

	Since Launch[1]	YTD	1 Month	3 Months	6 Months	1 Year
RMB Class A (Acc)	16.9%	2.4%	1.0%	3.5%	1.1%	2.4%
RMB Class A (Dis)	49.2%	2.4%	1.0%	3.5%	1.1%	2.4%
RMB Class I (Dis)	55.2%	2.4%	1.0%	3.5%	1.1%	2.6%
USD Class A (Acc)	16.1%	4.2%	2.9%	8.1%	3.3%	6.8%

1. The total return for the period from class launch date to 31 Aug 2020

Fund Facts

Manager:	E Fund Management (Hong Kong) Co., Limited
Inception Date:	28 February 2012
Base Currency:	RMB
Share Class Currency:	RMB/USD/HKD
Initial Charge:	Up to 3%
Dealing & Trading Frequency:	Daily
Trustee:	Bank of Communications Trustee Limited
Auditor:	PricewaterhouseCoopers

Calendar Year Cumulative Performance**

Source: Bloomberg

	2019	2018	2017	2016	2015	2014	2013
RMB Class A (Acc)	5.3%	3.0%	0.4%	0.4%	-	-	-
RMB Class A (Dis)	5.3%	3.0%	0.4%	0.4%	13.2%	12.1%	-0.1%
RMB Class I (Dis)	5.8%	3.5%	0.9%	0.9%	13.8%	12.6%	0.4%
USD Class A (Acc)	3.7%	-2.2%	7.1%	-5.1%	6.8%	-	-

Share Class Information

Class	NAV	Launch Date	ISIN Code	Bloomberg Ticker	Minimum Subscription	Management Fee (p.a.)***
RMB Class A (Acc)	135.66	2015/05/28	HK0000224300	EFFBAAR HK	500	0.5%
RMB Class A (Dis)	123.15	2012/02/28	HK0000102118	EFFMBFA HK	500	0.5%
RMB Class I (Dis)	128.42	2012/02/28	HK0000102126	EFFMBFI HK	1,000,000	0.5%
USD Class A (Acc)	12.28	2014/12/19	HK0000224326	EFFBAAU HK	100	0.5%

Source: Bloomberg

* (Class I) © 2020 Morningstar. All Rights Reserved.

** NAV-to-NAV return, total return with dividend (if any) reinvested

***For Class A Units (Class A RMB (accumulation), Class A USD (accumulation), Class A RMB (distribution) of the Sub-Fund, the rate of the management fee will change as follows: from 1 January 2020 to 31 December 2020: 0.5% p.a.; from 1 January 2021 onwards: 1.0% p.a.
The rate of the management fee is a per annum rate on the Sub-Fund's Net Asset Value attributable to the above relevant classes of Units.

Note:
Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
The computation basis of the performance is based on the calendar year/period end, NAV-To-NAV, with dividend reinvested.
These figures show by how much the Sub-Fund /Class A and Class I increased or decreased in value during the calendar year/period being shown.
Performance data has been calculated in RMB/USD, including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
Where no past performance is shown there was insufficient data available in that year/period to provide performance.

E Fund (HK) RMB Fixed Income Fund

Top 5 Holdings (% of Total NAV)

CHNHE 3.97 11/01/22	8.72%
TSDUCI 5.23 09/18/22	5.48%
PXVINV 5.2 11/10/22	5.41%
HEDIAG 6.3 01/27/21	5.40%
TXHQYI 5.03 10/29/22	5.38%

Fixed Rate Debt Instruments (% of Total NAV)

Convertible Bond	13.1%
Corporate Bond	77.8%
Government & Quasi-Government Debt	1.0%

Credit Rating Breakdown of Onshore Debt Securities* (% of Total NAV)

AAA	14.95%
AA+	9.04%
AA	23.88%

Source: Wind

Bond Yield to Maturity

5.56%

Bond Duration

1.94 Years

Number of Holdings

41

Dividend Distribution History (RMB Class A & I)

Please visit *http://www.efunds.com.hk* for dividend distribution history of the Sub-Fund. ("Compositions of Dividend Payments" under "Announcements, Notices & Documents")

Market Review

July CPI was 2.7%, previous data was 2.7% year-on-year, and PPI decreased to -2.4% year-on-year ，previous data was -3.0 % year-on-year. In terms of import and export data, exports in US dollars in July accounted for 7.2% year-on-year, previous data was—0.5% ， while imports was 1.4 percent year-on-year, decreased slightly . The official manufacturing PMI sharply increase to 51.1%. In terms of financial data, the year-on-year growth of M2 decreased to10.7%.The total amount of newly-added social financing in July was0.99 trillion Yuan，contained the municipal bond, and the social financing amounted to 1.69 trillion Yuan.

From the end of July ,the current economy is very close to the normal range at the aggregate level，short-term countercyclical policies may quickly return to normal. The interest rate went up steadily in July . The pace of monetary policy to extend credit may slow down ,and the monetary policy may gradually return to normalcy.

August market review : The performance of August bond market has been relatively weak，with the yield curve showing a bear-flattening pattern. The support for the continued bearish run of the bond market is not strong，and there is not much room on the upside. But the demand of bond was not strong either ,and there is no reason for a sharp drop of the interest rate .The bond market went up first and went down in the mixed case on mixed news including premarket monetary policy expectations，the renounces of economy was under expectation, and the China US trade war，which worked together to disturb the bond market yield. The interest rate line flattened and went up ,The credit spread still squeezed.

Fund Strategy

Over the month, bought the high quality short term credit bonds, and some convertible bond ,the portfolio duration shortened and decreased some holdings of MMF and Chinese USD bond to gain the On and off shore spread.

Market Outlook

Next month, we will continue to take a conservative strategy. We will increase the credit bond and convertible bond positions to gain the holding period returns, buy the RMB mutual fund ,increase overall absolute returns, and be on the look-out for investing opportunities in stocks and convertible bonds.

The Manager currently intends to make dividend distribution in respect of the Class A (distribution) and Class I (distribution) of E Fund (HK) RMB Fixed Income Fund (the "Sub-Fund"); actual dividend payout will be subject to the Manager's discretion. The compositions of the dividends (i.e. the relative amounts paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Manager on request and on the website of the Manager at www.efunds.com.hk. Dividend rate is not indicative of fund performance. A positive dividend yield does not imply a positive return. Past dividend rate is not indicative of future dividend rate. Net asset value of the Sub-Fund may volatile subject to market factors. Investment returns are denominated in the Sub-Fund's base currency. Where the Sub-Fund's base currency is not US/HK Dollars, US/HK Dollar-based investors are exposed to exchange rate fluctuations.
E Fund Management (Hong Kong) Co., Limited is the issuer of this document. This document is neither an offer nor solicitation to purchase units of the Sub-Fund; applications for units may only be made on forms of application available with the Explanatory Memorandum. Investments are subject to investment risks, fund value may go up as well as down and past performance is not indicative of future performance. The investment returns are denominated in RMB. US dollar-based investors are therefore exposed to fluctuations in the US dollar/RMB exchange rate and investing in funds denominated in non-local currency should be aware of the risk of exchange rate fluctuations that may cause a loss of principal. Investors should read carefully the Explanatory Memorandum (including the section "Risk Factors") for the relevant risks associated with the investment in the Sub-Fund before investing. Distribution of this document may be restricted in certain jurisdictions. This document does not constitute the distribution of any information or the making of any offer or solicitation by anyone in any jurisdiction in which such distribution or offer is not authorized or to any person to whom it is unlawful to distribute such a document or make such an offer or solicitation. This document is exempted from pre-vetting and authorization by the Securities and Futures Commission of Hong Kong ("SFC") and has not been reviewed by SFC.
SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Copyright© 2020. E Fund Management (Hong Kong) Co., Limited. All rights reserved.

E Fund Management (HK) Co., Ltd.
Suites 3501-02, 35/F, Two International Finance Centre,
8 Finance Street, Central, Hong Kong /
12/F, Nexxus Building, 41 Connaught Road Central, Hong Kong

For enquiries: (852) 3929 0960
clientservice@efunds.com.hk
www.efunds.com.hk