

# E Fund Investment Fund Series

## E Fund (HK) RMB Fixed Income Fund

★★★★★  
 Morningstar Rating™  
 As at 30-10-2020\*

Data as of 30 Oct 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 <sup>1</sup>	YTD	1 Month	3 Months	6 Months	1 Year
<b>RMB Class A (Acc)</b>	15.8%	1.4%	-0.1%	0.0%	3.4%	0.9%
<b>RMB Class A (Dis)</b>	47.8%	1.4%	-0.1%	0.0%	3.3%	0.9%
<b>RMB Class I (Dis)</b>	53.7%	1.4%	-0.1%	0.0%	3.3%	1.0%
<b>USD Class A (Acc)</b>	17.7%	5.7%	1.6%	4.4%	9.7%	6.0%

1. The total return for the period from class launch date to 30 Oct 2020

### Fund Facts

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

**Auditor:** PricewaterhouseCoopers

### Share Class Information

Class	NAV	Launch Date	ISIN Code	Bloomberg Ticker	Minimum Subscription	Management Fee (p.a.)***
<b>RMB Class A (Acc)</b>	134.32	2015/05/28	HK0000224300	EFFBAAR HK	500	0.5%
<b>RMB Class A (Dis)</b>	121.93	2012/02/28	HK0000102118	EFFMBFA HK	500	0.5%
<b>RMB Class I (Dis)</b>	127.15	2012/02/28	HK0000102126	EFFMBFI HK	1,000,000	0.5%
<b>USD Class A (Acc)</b>	12.45	2014/12/19	HK0000224326	EFFBAAU HK	100	0.5%

Source: Bloomberg

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\*\* 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.



## Top 5 Holdings (% of Total NAV)

CHNHE 3.97 11/01/22	8.95%
PXVINV 5.2 11/10/22	5.57%
HEDIAG 6.3 01/27/21	5.55%
CHJMAO 5.2 03/08/21	5.34%
CIFIHG 6.7 04/23/22	4.51%

## Fixed Rate Debt Instruments (% of Total NAV)

Convertible Bond	13.3%
Corporate Bond	73.8%
Government & Quasi-Government Debt	0.6%

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

AAA	13.31%
AA+	9.28%
AA	16.35%

Source: Wind

## Bond Yield to Maturity

5.80 %
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## Bond Duration

1.62 Years
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## Number of Holdings

55
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## 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

September CPI was 1.7%, previous data was 2.4% year-on-year, and PPI narrowed to -2.1% year-on-year, previous data was -2% year-on-year. In terms of import and export data, exports in US dollars in September accounted for 9.9% year-on-year, previous data was 7.2%, while imports was 13.2 percent year-on-year. The official manufacturing PMI sharply increase to 51.1%. In terms of financial data, the year-on-year growth of M2 decreased to 113.5%. The total amount of newly-added social financing in September was 1.9 trillion Yuan, contained the municipal bond, and the social financing amounted to 3.45 trillion Yuan.

In October, the interest rate and interbank liquidity will remain unchanged, but the interest rate of repo has been volatile. Interbank lending has also turned tighter in the end of the month. The pace of monetary policy to extend credit may withdraw in the future, and the monetary policy now gradually return to normalcy.

October market review: The performance of October bond market remained weak, and the interest rates increased rapidly specially in the end of September due to the accelerated recovery of the economy before the holidays. Under the economic recovery trend, bond market remain bullish sentiment. The bond market went up due to rebound of economy and the interbank lending turned to tight. The interest rate line flatten and went up, The credit spread still squeezed.

## Fund Strategy

Over the month, bought the high quality convertible bonds, and some mutual fund bond, the portfolio duration shorten 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](http://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 be 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.

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