

# Fidelity Funds - China RMB Bond Fund

31 Mar 2024

## Fund Details

|   |   |
|---|---|
| Fund Manager  | Morgan Lau<br>Tae Ho Ryu<br>Terrence Pang |
| Reference Currency                                  | CNY                                       |
| Fund Size   | US\$228m                                  |
| Max. Sales Charge - Cash (On Net Investment Amount) | 3.50%                                     |
| Annual Management Fee                               | 0.75%                                     |
| Subscription Information                            | Cash: All share classes                   |

## Fund Performance (rebased to 100)



Fund A-ACC-USD

Performance is shown for the last 5 years (or since launch for funds launched within that period), rebased to 100.

## Top 10 Holdings (%)

|                                | Fund |
|--------------------------------|------|
| CHINA GOVT 2.89% 11/18/31      | 6.16 |
| CHINA GOVT 2.75% 02/17/32      | 6.06 |
| CHINA GOVT 2.8% 03/24/29       | 4.54 |
| CHINA DEV BANK 3.41% 06/07/31  | 4.49 |
| STANDARD CHARTR 4.35% 3/26 RGS | 3.72 |
| CHINA GOVT 3.32% 04/15/52      | 3.40 |
| CHINA GOVT 2.5% 07/25/27       | 3.33 |
| EIBI LDN BRH 3.45% 6/25/26 RGS | 3.14 |
| UNITED O/S BANK 4.5% 4/32 RGS  | 2.92 |
| HYUNDAI CAP SVC 3.2% 8/24 RGS  | 2.05 |

## Investment Objective

The fund aims to maximise total return over the long term. The fund aims to achieve its investment objective through exposure to RMB denominated debt, money market instruments, cash and cash equivalents (including term deposits). The fund invests at least 70% of its assets, in investment grade debt securities denominated in RMB, investment grade securities of issuers that do most of their business in the Asia Pacific region, securities denominated in RMB of investment grade issuers, or in securities of investment grade issuers that do most of their business in the Asia Pacific region, including emerging markets. The fund invests at least 50% of its assets in securities of issuers with favourable environmental, social and governance (ESG) characteristics. The fund may invest, directly or indirectly, in the following assets according to the percentages indicated:

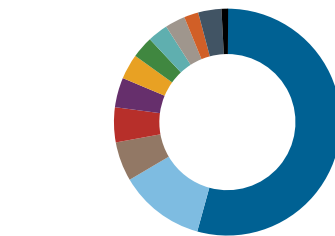
- Listed China onshore bonds (directly and/or indirectly): up to 100%
  - hybrids and contingent convertible (CoCo) bonds: less than 30%, with less than 20% in CoCos.
- The fund may invest in other subordinated financial debt and preference shares. The fund's exposure to distressed securities is limited to 10% of its assets. Exposure to non-RMB investments may be hedged to maintain the currency exposure to RMB. (For full details of the objective and other considerations please refer to the Prospectus)

## Performance (%)

|                      | YTD (cum) | 1mth (cum) | 3mth (cum) | 6mth (cum) | 1yr (cum) | 3yr (ann) | 5yr (ann) | Since Launch (ann) |
|----------------------|-----------|------------|------------|------------|-----------|-----------|-----------|--------------------|
| A-ACC-RMB            | 1.4       | 0.4        | 1.4        | 2.8        | 3.0       | -0.6      | 1.2       | 2.8                |
| With 3% sales charge | -1.7      | -2.6       | -1.7       | -0.3       | -0.1      | -1.6      | 0.6       | 2.6                |
| A-ACC-USD            | -0.5      | -0.3       | -0.5       | 3.3        | -2.5      | -3.9      | -0.3      | 1.1                |
| With 3% sales charge | -3.5      | -3.3       | -3.5       | 0.2        | -5.4      | -4.8      | -0.9      | 0.8                |

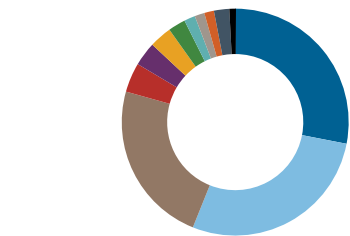
Source: Fidelity, NAV-NAV basis, in the respective currencies with dividends re-invested. Returns are annualised for periods greater than 1 year. Please refer to "Share Class Details & Codes" for the launch dates of the respective share classes.

## Geographic Exposure (%)



|                      |       |
|----------------------|-------|
| China                | 54.22 |
| Hong Kong            | 12.23 |
| United Kingdom       | 5.60  |
| United Arab Emirates | 4.97  |
| Singapore            | 4.23  |
| India                | 3.58  |
| Australia            | 3.10  |
| Qatar                | 2.90  |
| United States        | 2.87  |
| Korea, Republic of   | 2.05  |
| Others               | 3.31  |
| Cash                 | 0.94  |

## Sector Exposure (%)



|                              |       |
|------------------------------|-------|
| Treasury                     | 28.03 |
| Banks & Brokers              | 28.00 |
| Quasi / Sov / Supra / Agency | 23.22 |
| Property                     | 4.20  |
| Consumer Cyclical            | 3.41  |
| Utility                      | 3.19  |
| Transportation               | 2.47  |
| Industrial Other             | 1.58  |
| Technology                   | 1.40  |
| Insurance                    | 1.38  |
| Others                       | 2.18  |
| Cash                         | 0.94  |

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## Measures

| (A-ACC-USD)  | Fund  |
|--|-------|
| Annualised Volatility (3 years) (%)                    | 8.27  |
| Sharpe Ratio (3 years)                                 | -0.79 |
| Yield to Maturity (%)                                  | 3.47  |
| Running Yield (%)                                      | 3.62  |
| Effective Duration                                     | 4.0   |
| Average Credit Rating (Linear)                         | A     |
| Asset Type - Investment grade credit (ex-treasury) (%) | 61.99 |
| Asset Type - High yield bond (%)                       | 0.91  |

## Share Class Details & Codes

| Share Class | Launch Date | NAV    | Bloomberg Ticker | ISIN         |
|-------------|-------------|--------|------------------|--------------|
| A-ACC-RMB   | 08 Dec 11   | 141.19 | FFCRMBA LX       | LU0715234463 |
| A-ACC-USD   | 07 May 14   | 11.13  | FFCRBAU LX       | LU0740036214 |

A-ACC: accumulating share class.

## Calendar Year Performance (%)

|                      | 2019 | 2020 | 2021 | 2022  | 2023 |
|----------------------|------|------|------|-------|------|
| A-ACC-RMB            | 7.5  | 3.9  | 0.3  | -5.7  | 2.6  |
| With 3% sales charge | 4.2  | 0.8  | -2.7 | -8.5  | -0.4 |
| A-ACC-USD            | 5.9  | 11.3 | 2.6  | -13.2 | -0.3 |
| With 3% sales charge | 2.8  | 8.0  | -0.5 | -15.8 | -3.3 |

Source: Fidelity, NAV-NAV basis, in the respective currencies with dividends re-invested. Sales charge may be levied by the distributor at its discretion. The stated returns will be reduced by the corresponding sales charge amount being levied by the distributor.

## Credit Rating Exposure (%)

|               | Fund   |
|---------------|--------|
| AAA/Aaa       | 0.25   |
| AA/Aa         | 9.53   |
| A             | 66.42  |
| BBB/Baa       | 13.83  |
| BB/Ba         | 0.56   |
| B             | 0.36   |
| CCC and Below | 0.00   |
| Other         | 8.11   |
| Cash          | 0.94   |
| Total         | 100.00 |

## Currency Exposure (%)

|       | Fund   |
|-------|--------|
| CNY   | 99.97  |
| USD   | 0.03   |
| TWD   | 0.00   |
| EUR   | 0.00   |
| JPY   | 0.00   |
| Other | 0.00   |
| Total | 100.00 |

## Our industry awards

The skill and expertise of Fidelity's investment team has been recognised by several organisations with Fidelity being awarded:



Best Regional Asset Management House  
Best ESG Manager, Singapore (2023, 2022)  
Best Climate Change Strategy, Singapore



Excellence in Service  
(4th consecutive year)



ESG Asset Management  
Company of the Year  
- Asia (Retail)



Fund House of the Year,  
Singapore



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## Definition of Terms

Annualised Volatility is a measure of how variable returns for a fund or comparative market index have been around their historical average. Two funds may produce the same return over a period. The fund whose monthly returns have varied less will have a lower annualised volatility and will be considered to have achieved its returns with less risk.

Sharpe Ratio is a measure of a fund's risk adjusted performance taking into account the return on a risk-free investment. The ratio allows an investor to assess whether the fund is generating adequate returns for the level of risk it is taking. The higher the ratio, the better the risk-adjusted performance has been. If the ratio is negative, the fund has returned less than the risk-free rate.

Yield to Maturity is the internal rate of return earned on a bond, assuming that the bond will be held until maturity and all coupon and principal payments will be made. It is an estimation of future return, as the rate at which coupon payments can be reinvested when received is unknown.

Running Yield describes the income investors get from their portfolio as a percentage of market value of the securities (incorporating the effect of derivatives) and does not include the impact of fees. It should not be relied on as a measure of expected fund return. The running yield does not reflect the total return over the life of the bond and takes no account of reinvestment risk or the fact that bonds usually mature at par value.

Duration is a measure of sensitivity of the fund value to changes in interest rates and includes all investments in the fund including derivatives. It takes into account that expected cash flows will fluctuate as interest rates change and affect a bond's price.

Average Credit Rating is the weighted average of all the bond credit ratings in the fund. It takes into account all investments in the fund including derivatives. This measure gives an idea of how risky the fund's bonds are overall: the lower the average credit rating, the riskier the fund. With a Linear weighted average the weight assigned to each issue is equal to its market value weight.

Exposure as a percentage of TNA (excluding derivatives). For each bond in the fund, Fidelity looks at the rating given by three rating agencies (S&P, Moody's and Fitch) and applies the worst of the two best ratings (commonly known as the Basel method). The AAA/Aaa rating is the highest and indicates the borrower has the lowest probability of defaulting on its debt. The table above is a categorisation of the fund's individual bonds into their credit ratings. If any derivatives are being used to adjust the credit quality of the fund, these are reflected in the Average Credit Rating under the "Measures" section.

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