

# China Universal China Bond 1-3 Year CDB Bond Index Strategy

As of Dec 31, 2023

## Portfolio Manager

**Mr. Wei LI** : Mr. He has 10 years of securities industry experience, having extensive investment and research experiences in fixed income markets. He joined China Universal in 2022.

Mr. Li graduated from Shanghai Jiao Tong University with his master's degree in Applied Economics.

Managed since:

2023

Joined Firm:

2022

## Fund Information

Fund Ticker	BBG00NSGDKZ6
Custodian	INDUSTRIAL BANK
Inception Date	2019/04/15
Benchmark	China Bond 1-3 Year CDB Bond Index Return Rate*95%+ Bank Demand Deposit Interest Rate (After Tax)*5%
Currency	CNY
Total Assets	CNY 6.83 billion (USD 964.73 million <sup>[1]</sup> )
Management Fee	0.15% <sup>[2]</sup>

## Top Five Holdings

Bond Name	of Net Asset
20 CDB 03	10.37%
20 CDB 12	7.24%
19 CDB 08	6.74%
22 CDB 07	6.63%
15 CDB 18	6.51%

Source: Wind, CUAM, as of Dec 31, 2023

Notes: Performance data is in RMB and net of fees.[1] The exchange rate of US dollar to RMB is the end-of-month rate from PBoC which is 7.0827; [2] 0.15% refers to management fee for mutual funds; The performance data quoted represents past performance; it does not guarantee future results.

## Highlight of the Fund

- An indexed fund tracking ChinaBond 1-3 Year China Development Bank Bond Index, with lower risk and volatility.
- The issuer of underlying bonds, namely China Development Bank, has quasi-sovereign credit, while providing higher returns than government bond.
- The market cap of the index is CNY 2.8 trillion, with adequate liquidity.
- The diversified investment lowers unsystematic risk.

## Objective and Risk & Return Profile

The fund conducts passive indexed investment, closely tracking the underlying index, and pursuing the minimization of tracking deviation and tracking error.

The fund belongs to the bond type fund, and its expected return and risk level is lower than that of the equity fund and hybrid fund, while higher than the money market fund. The fund adopts an optimized sampling and replication strategy to track the China Bond-1-3 China Development Bank Bond Index, and its risk-return characteristics are similar to the risk-return characteristics of the market combination represented by the underlying index.

## Investment Strategy

1. Optimized sampling replication strategy. The fund is an index fund and adopts the optimized sampling replication method. Through the historical data and liquidity analysis of each component bond in the target index, the portfolio manager selects bonds with better liquidity to construct the portfolio, and track the target index's duration and other indicators to achieve the purpose of following the target index and reducing transaction costs.

2. The fund aims to maintain an absolute value of the average daily tracking deviation less than 0.2% and the annual tracking error less than 2%.

## Performance

	3 Months	6 Months	One Year	Three Years	Five Years	Since Inception
The Fund (Annualized)	0.89%	1.48%	3.19%	3.11%	-	3.15%
Benchmark (Annualized)	0.72%	1.16%	2.74%	2.93%	2.86%	3.04%

## Historical Excess Return

Fund Performance



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