

# Hong Kong Baptist University (1998) Superannuation Fund

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Investment Review for the Quarter Ending 31 December 2024

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# Fidelity Advantage Portfolio Fund (“FAP”)

## PLEASE NOTE:

- The Fidelity Advantage Portfolio Fund is an umbrella fund with a number of sub-funds with different investment objectives and risk profiles. These Sub-funds may gain exposure to equities, debt, money market securities and/or other instruments, including derivatives.
- Sub-funds with exposure to emerging market securities may be subject to higher risks and volatility.
- Sub-funds investing primarily in single or a limited number of geographical market(s) may subject to higher concentration risk.
- Sub-funds with exposure to RMB denominated debt securities issued or distributed outside mainland China, will subject to RMB currency risk, RMB exchange risk and risk of limited pool of investments.
- Sub-fund with exposure to Tracker Fund of Hong Kong, iShares World Government Bond Index Fund and iShares World Equity Index Fund will be subject to risk of investing in index-tracking fund, risks relating to underlying index fund and risks relating to the underlying index.
- The value of investments will vary with market movements and under extreme circumstances, may experience substantial loss. Please refer to the Risk Factors section of this Explanatory Memorandum for details.
- You should not invest based on this material alone and should read the Explanatory Memorandum including Product Key Facts, of Fidelity Advantage Portfolio Fund (including potential risks involved) for further information.

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# Scheme Summary

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# HKBU portfolio size summary for the past year

	FAP Growth Fund		FAP Balanced Fund		FAP Stable Growth Fund		FAP Capital Stable Fund	
31 December 2024 (USD/HKD FX rate: 7.76795)	US\$ (HK\$	36,507,838.36 283,591,062.99)	US\$ (HK\$	14,068,116.34 109,280,424.32)	US\$ (HK\$	14,575,097.08 113,218,625.36)	US\$ (HK\$	10,637,902.22 82,634,692.55)
30 September 2024 (USD/HKD FX rate: 7.7675)	US\$ (HK\$	40,409,768.44 313,882,876.36)	US\$ (HK\$	15,132,161.64 117,539,065.54)	US\$ (HK\$	15,513,675.82 120,502,476.93)	US\$ (HK\$	10,953,558.01 85,081,761.84)
31 Decmeber 2024 (USD/HKD FX rate: 7.8074)	US\$ (HK\$	39,313,795.26 306,938,525.11)	US\$ (HK\$	15,556,418.33 121,455,180.47)	US\$ (HK\$	15,605,641.61 121,839,486.31)	US\$ (HK\$	9,662,123.98 75,436,066.76)
31 March 2024 (USD/HKD FX rate: 7.82645)	US\$ (HK\$	37,873,653.47 296,416,255.20)	US\$ (HK\$	15,975,455.09 125,031,100.49)	US\$ (HK\$	15,441,440.31 120,851,660.51)	US\$ (HK\$	10,178,833.77 79,664,133.56)

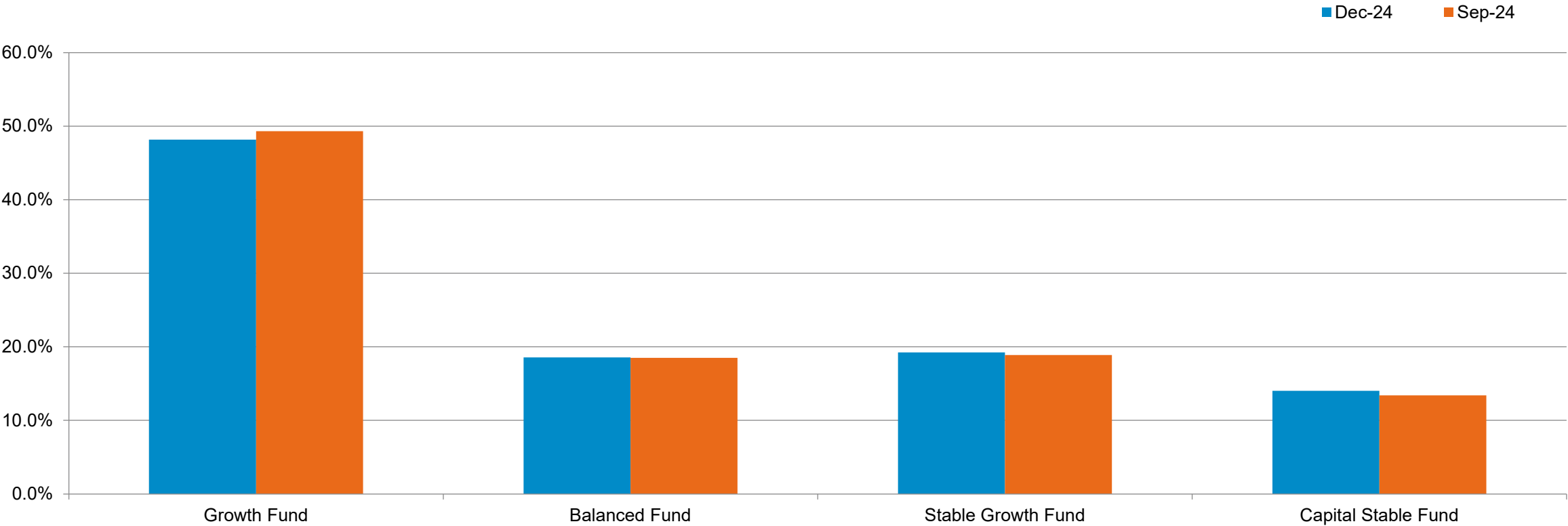
Please note the dealing currency of FAP Growth, Balanced, Stable Growth and Capital Stable Fund is USD and the FX rate and the HKD equivalent values are for indication only.

Source: Fidelity International and HSBC.

\* Pending trades as of period end are not included

# HKBU ORSO scheme asset distribution

Investment vehicle: Fidelity Advantage Portfolio Fun (“FAP”)  
Scheme asset size: HKD 588.72 mil (as at 31 December 2024)  
HKD 637.00 mil (as at 30 September 2024)



Source: Fidelity International and HSBC. Percentages may not add up to 100% due to rounding.  
The reference USD/HKD FX as of 30 September 2024: 7.7675 and 31 December 2024: 7.76795.

# Fidelity Advantage Portfolio Fund – Performance Summary

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# Key position adjustments during Q4 2024

- **Nimble adjust the sizing of equity positions, across selective regions, styles and sectors**
  - ✓ Continued normalization of inflation pressure, resilient labour and consumer segment create supportive backdrop for risk assets
  - ✓ Took some profit from North America overweight post US election and introduced US consumer discretionary sector and broader US growth equities in view of decent earnings, consumer and labour data. We also took profits and closed the positions in S&P equal weight equities, US financials equities and Canadian equities which contributed positive relative return over the quarter.
  - ✓ Remain the tilt towards high quality companies with strong balance sheet and robust earnings outlook within the equity allocation.
- **Timely took profits from Hong Kong/China equity in early November as they rebounded on better economic data**
  - ✓ We were overweighting Hong Kong/China towards the end of Q3 on attractive valuation and new Chinese stimulative policies announced.
  - ✓ Following the strong rally in late September, we timely took some profits from Hong Kong equities in early October but retained the overweight in onshore China equities. In early November, we took more profits from both Hong Kong and onshore China equities as market rebounded on encouraging economic data. Since then, we underweight Hong Kong equities and slightly overweight China onshore equities as we were cognizant of the potential intensifying US-China geopolitical tension as Trump won the US presidential election.

Source: Fidelity International



# Key position adjustments during Q4 2024

- **Turning neutral on Europe**

- ✓ We turned from underweight to neutral in European equities in over the quarter as bad news on the region's economic growth has largely been in full display. We are watching closely on the rate of change in fiscal policy stance and the implication of geopolitical risk development (Russia-Ukraine war, Middle East tension) in the region as catalyst to nimbly adjust the positions.

- **Remain cautious on Japan**

- ✓ We retain modest underweight in Japan equity due to mixed monetary policy signals and risk of potential US trade policy risk towards Japan.

- **Tactical duration positioning while retaining the tilt towards high quality credit**

- ✓ Bond yield has been more volatile as the market narrative shift amid growth, inflation and policy expectations. We continue to position duration tactically.
- ✓ We retain the preference for high quality investment grade corporate credit with shorter duration as it offers more attractive yield / duration trade-off in the current environment while the corporate credit fundamentals are still resilient.

Source: Fidelity International

# FAP annualised performance vs. benchmark & median

(as at 31 December 2024)

		Q4 2024 (%)	Upper Quartile^	Lower Quartile^	1 Yr (%)	Upper Quartile^	Lower Quartile^	3-Yr (% p.a.)	Upper Quartile^	Lower Quartile^	5-Yr (% p.a.)	Upper Quartile^	Lower Quartile^	Since Inception (% p.a.)
<b>FAP Growth Fund*</b>	<b>Fund (Net)</b>	<b>-5.14</b>			<b>9.31</b>			<b>-2.73</b>			<b>1.66</b>			<b>6.61</b>
	<i>Benchmark</i>	-4.77	-4.52	-5.26	12.29	10.90	10.00	1.53	-0.14	-1.06	4.17	3.98	3.22	7.20
	<i>Median^</i>	-4.93			10.12			-0.64			3.73			-
	Ranking/No. of Funds^	6/9			9/9			9/9			9/9			-
<b>FAP Balanced Fund*</b>	<b>Fund (Net)</b>	<b>-4.77</b>			<b>6.83</b>			<b>-3.26</b>			<b>0.89</b>			<b>5.91</b>
	<i>Benchmark</i>	-4.45	-4.04	-5.08	9.31	8.07	7.76	0.27	-0.84	-2.08	2.85	2.96	2.12	6.43
	<i>Median^</i>	-4.76			7.82			-1.50			2.70			-
	Ranking/No. of Funds^	7/12			12/12			11/12			11/11			-
<b>FAP Stable Growth Fund*</b>	<b>Fund (Net)</b>	<b>-4.76</b>			<b>4.13</b>			<b>-3.89</b>			<b>0.02</b>			<b>5.11</b>
	<i>Benchmark</i>	-4.24	-4.00	-4.83	6.12	5.89	4.43	-1.16	-1.72	-2.77	1.45	1.71	0.74	5.60
	<i>Median^</i>	-4.75			5.16			-2.34			1.33			-
	Ranking/No. of Funds^	6/9			8/9			9/9			9/9			-
<b>FAP Capital Stable Fund**</b>	<b>Fund (Net)</b>	<b>-4.23</b>			<b>1.80</b>			<b>-4.14</b>			<b>-0.72</b>			<b>1.58</b>
	<i>Benchmark</i>	-3.78	-3.89	-4.61	3.33	3.25	1.80	-2.15	-2.25	-3.05	0.27	0.51	-0.19	2.28
	<i>Median^</i>	-4.23			2.44			-3.02			0.33			-
	Ranking/No. of Funds^	5/9			7/9			9/9			9/9			-

Source: Fidelity International, Ordinary Class, net of fees in HKD, as 31 December 2024

^ Source: Willis Towers Watson (Managed Fund Report), Ordinary Class (for FAP funds), net of fees, NAV to NAV and in HKD

\*Fund launched on 26 April 2002. Performance Start Date: 30 April 2002.

\*\* Fund launched on 1 March 2017. Performance Start Date: 28 February 2017

# FAP cumulative performance vs. benchmark

(as at 31 December 2024)

		Q4 2024 (%)	Last 1 Year (%)	Last 3-Year (%)	Last 5-Year (%)	Since inception (%)
<b>FAP Growth Fund*</b>	Fund	-5.14	9.31	-7.97	8.58	326.56
	Benchmark	-4.77	12.29	4.67	22.64	383.91
<b>FAP Balanced Fund*</b>	Fund	-4.77	6.83	-9.46	4.53	267.30
	Benchmark	-4.45	9.31	0.83	15.10	310.46
<b>FAP Stable Growth Fund*</b>	Fund	-4.76	4.13	-11.21	0.11	209.57
	Benchmark	-4.24	6.12	-3.43	7.49	243.70
<b>FAP Capital Stable Fund**</b>	Fund	-4.23	1.80	-11.92	-3.54	13.04
	Benchmark	-3.78	3.33	-6.31	1.35	19.34

Source: Fidelity International, Ordinary Class, net of fees in HKD, as 31 December 2024.

\*Fund launched on 26 April 2002. Performance Start Date: 30 April 2002.

\*\* Fund launched on 1 March 2017. Performance Start Date: 28 February 2017.

# FAP Growth Fund

(Q4 2024 performance attribution)

Portfolio Return	-4.92	Asset allocation added value, but stock selection slightly detracted from the portfolio.
Benchmark Return	-4.73	
Value Added	-0.18	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
<b>Bonds</b>	-2.69	-3.97	-0.07	0.05	0.35	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Asset allocation added value particular the overweight position in <b>US</b> equities and underweight <b>European</b> equities contributed positively.</li> <li>In <b>Asia Pacific</b>, share in online travel agency <b>MakeMyTrip</b> rose due to investors' faith in its offerings and a bright future for India's travel industry. Holdings in drugmaker <b>Mankind Pharma</b> posted a profit beat for the September quarter, driven by strong domestic demand for its drugs treating chronic illnesses.</li> <li>Within <b>Bonds</b>, the <b>Fidelity Global Income</b> and <b>HSBC Global Government Bond</b> strategies added value. The relative shorter duration in these strategies enhanced the performance. On the other hand, corporate credit spreads broadly tightened across regions during the period, supported by a stable corporate earnings outlook.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>In <b>Hong Kong</b>, exposure to <b>iShares Core MSCI China</b> strategy slid as the absence of additional policy measures disappointed investors as market participants expected further steps to bolster China's domestic economy.</li> <li>In <b>China</b>, position in <b>iShares FTSE A50 China</b> and <b>iShares Core CSI 300</b> strategies slid as the consumer environment continued to remain weak and persistent weakness in the property sector also continued to drag on the broader economy.</li> <li>Within <b>Japan</b>, holding less weight of <b>Toyota Motor</b> share is the notable detractor. Besides, shares in bicycle component maker <b>Shimano</b> fell after it negatively revised its full-year profit forecast due to currency losses. However, inventory adjustments are expected to finish by year-end and demand in key markets is set to normalize.</li> </ul>
<b>Equities</b>	-5.24	-4.99	0.30	-0.65		
Hong Kong	-7.45	-6.07	-0.19	-0.33		
China	-7.06	-5.56	-0.04	-0.18		
US	2.89	2.60	0.38	0.03		
Japan	-5.50	-4.05	-0.04	-0.17		
Europe	-9.76	-9.25	0.15	-0.10		
Asia Pac ex Jap	-7.65	-8.55	-0.01	0.12		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-2.52	0.00	0.04	-0.02		
<b>Cash</b>	-1.10	1.23	-0.13	-0.02		
<b>Total</b>	-4.92	-4.73	0.09	-0.62	-0.18	

Source: Fidelity International and Industry Survey, in HKD as of 31 December 2024. Attribution numbers are rounded to two decimal places.

# FAP Balanced Fund

(Q4 2024 performance attribution)

Portfolio Return	-4.55	Asset allocation added value, but stock selection slightly detracted from the portfolio.
Benchmark Return	-4.42	
Value Added	-0.13	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
<b>Bonds</b>	-3.73	-3.97	-0.06	0.06	0.35	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Asset allocation added value particular the overweight position in <b>US</b> equities and underweight <b>European</b> equities contributed positively.</li> <li>In <b>Asia Pacific</b>, share in online travel agency <b>MakeMyTrip</b> rose due to investors' faith in its offerings and a bright future for India's travel industry. Holdings in drugmaker <b>Mankind Pharma</b> posted a profit beat for the September quarter, driven by strong domestic demand for its drugs treating chronic illnesses.</li> <li>In the <b>US</b>, the overweight positions in diversified financial services companies <b>Wells Fargo</b> and <b>Morgan Stanley</b> rose due to investors anticipating favorable economic policies and a constructive regulatory environment from the incoming Republican administration. Wells Fargo particularly a large domestic footprint and stands to benefit from reduced tax obligations.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>In <b>Hong Kong</b>, exposure to <b>iShares Core MSCI China</b> strategy slid as the absence of additional policy measures disappointed investors as market participants expected further steps to bolster China's domestic economy.</li> <li>In <b>China</b>, position in <b>iShares FTSE A50 China</b> and <b>iShares Core CSI 300</b> strategies slid as the consumer environment continued to remain weak and persistent weakness in the property sector also continued to drag on the broader economy.</li> <li>Within <b>Japan</b>, holding less weight of <b>Toyota Motor</b> share is the notable detractor. Besides, shares in bicycle component maker <b>Shimano</b> fell after it negatively revised its full-year profit forecast due to currency losses. However, inventory adjustments are expected to finish by year-end and demand in key markets is set to normalize.</li> </ul>
<b>Equities</b>	-5.08	-4.99	0.32	-0.54		
Hong Kong	-7.42	-6.07	-0.19	-0.27		
China	-7.12	-5.56	-0.04	-0.18		
US	3.11	2.60	0.40	0.07		
Japan	-5.27	-4.05	-0.03	-0.13		
Europe	-9.97	-9.25	0.16	-0.10		
Asia Pac ex Jap	-7.61	-8.55	0.01	0.09		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-2.52	0.00	0.02	-0.02		
<b>Cash</b>	0.94	1.23	-0.24	-0.01		
<b>Total</b>	-4.55	-4.42	0.02	-0.50	-0.13	

Source: Fidelity International and Industry Survey, in HKD as of 31 December 2024. Attribution numbers are rounded to two decimal places.

# FAP Stable Growth Fund

(Q4 2024 performance attribution)

Portfolio Return	-4.54	Both asset allocation and stock selection slightly detracted from the portfolio.
Benchmark Return	-4.22	
Value Added	-0.32	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
<b>Bonds</b>	-3.97	-3.97	-0.03	0.00	0.07	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Asset allocation added value particular the overweight position in <b>US</b> equities and underweight <b>European</b> equities contributed positively.</li> <li>In <b>Asia Pacific</b>, share in online travel agency <b>MakeMyTrip</b> rose due to investors' faith in its offerings and a bright future for India's travel industry. Holdings in drugmaker <b>Mankind Pharma</b> posted a profit beat for the September quarter, driven by strong domestic demand for its drugs treating chronic illnesses.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>In <b>Hong Kong</b>, exposure to <b>iShares Core MSCI China</b> strategy slid as the absence of additional policy measures disappointed investors as market participants expected further steps to bolster China's domestic economy.</li> <li>In <b>China</b>, position in <b>iShares FTSE A50 China</b> and <b>iShares Core CSI 300</b> strategies slid as the consumer environment continued to remain weak and persistent weakness in the property sector also continued to drag on the broader economy.</li> <li>Within <b>Japan</b>, holding less weight of <b>Toyota Motor</b> share is the notable detractor. Besides, shares in bicycle component maker <b>Shimano</b> fell after it negatively revised its full-year profit forecast due to currency losses. However, inventory adjustments are expected to finish by year-end and demand in key markets is set to normalize.</li> </ul>
<b>Equities</b>	-4.89	-4.99	0.28	-0.37		
Hong Kong	-7.51	-6.07	-0.20	-0.18		
China	-7.07	-5.56	-0.06	-0.14		
US	2.62	2.60	0.39	0.00		
Japan	-4.76	-4.05	-0.02	-0.08		
Europe	-9.06	-9.25	0.13	0.00		
Asia Pac ex Jap	-7.65	-8.55	0.02	0.06		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-2.52	0.00	0.02	-0.02		
<b>Cash</b>	1.09	1.23	-0.25	-0.02		
<b>Total</b>	-4.54	-4.22	0.00	-0.39	-0.32	

Source: Fidelity International and Industry Survey, in HKD as of 31 December 2024. Attribution numbers are rounded to two decimal places.

# FAP Capital Stable Fund

(Q4 2024 performance attribution)

Portfolio Return	-4.00	Both asset allocation and stock selection slightly detracted from the portfolio.
Benchmark Return	-3.76	
Value Added	-0.24	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
<b>Bonds</b>	-3.67	-3.97	-0.01	0.18	<b>-0.10</b>	<p><b>Positive</b></p> <ul style="list-style-type: none"> <li>Asset allocation added value particular the overweight position in <b>US</b> equities and underweight <b>European</b> equities contributed positively.</li> <li>Within <b>Bonds</b>, the <b>Fidelity Global Income</b> and <b>HSBC Global Government Bond</b> strategies added value. The relative shorter duration in these strategies enhanced the performance. On the other hand, corporate credit spreads broadly tightened across regions during the period, supported by a stable corporate earnings outlook.</li> <li>In the <b>US</b>, the overweight positions in diversified financial services companies <b>Wells Fargo</b> and <b>Morgan Stanley</b> rose due to investors anticipating favorable economic policies and a constructive regulatory environment from the incoming Republican administration. Wells Fargo particularly a large domestic footprint and stands to benefit from reduced tax obligations.</li> </ul> <p><b>Negative</b></p> <ul style="list-style-type: none"> <li>In <b>China</b>, position in <b>iShares FTSE A50 China</b> and <b>iShares Core CSI 300</b> strategies slid as the consumer environment continued to remain weak and persistent weakness in the property sector also continued to drag on the broader economy.</li> <li>In <b>Hong Kong</b>, exposure to <b>iShares Core MSCI China</b> strategy slid as the absence of additional policy measures disappointed investors as market participants expected further steps to bolster China's domestic economy.</li> <li>Within <b>Japan</b>, holding less weight of <b>Toyota Motor</b> share is the notable detractor. Besides, shares in bicycle component maker <b>Shimano</b> fell after it negatively revised its full-year profit forecast due to currency losses. However, inventory adjustments are expected to finish by year-end and demand in key markets is set to normalize.</li> </ul>
<b>Equities</b>	-4.42	-4.99	0.22	-0.19		
Hong Kong	-7.59	-6.07	-0.20	-0.09		
China	-7.00	-5.56	-0.08	-0.12		
US	2.86	2.60	0.34	0.04		
Japan	-4.20	-4.05	-0.01	-0.05		
Europe	-8.24	-9.25	0.12	0.02		
Asia Pac ex Jap	-7.65	-8.55	0.02	0.03		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-2.52	0.00	0.02	-0.02		
<b>Cash</b>	1.11	1.23	-0.32	-0.02		
<b>Total</b>	-4.00	-3.76	-0.12	-0.02	<b>-0.24</b>	

Source: Fidelity International and Industry Survey, in HKD as of 31 December 2024. Attribution numbers are rounded to two decimal places.

# Asset Allocation & Investment Strategy

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# FAP asset allocation

(as at 31 December 2024)

	Growth Fund		Balanced Fund		Stable Growth Fund		Capital Stable Fund	
	Fund (%)	Bmk (%)	Fund (%)	Bmk (%)	Fund (%)	Bmk (%)	Fund (%)	Bmk (%)
<b>Equities</b>	<b>93.48</b>	<b>90.00</b>	<b>73.43</b>	<b>70.00</b>	<b>53.25</b>	<b>50.00</b>	<b>33.14</b>	<b>30.00</b>
Hong Kong	20.59	24.00	16.10	19.20	10.07	13.60	4.45	8.00
China	6.84	6.00	5.68	4.80	4.49	3.40	2.83	2.00
Americas	24.49	18.00	20.18	14.00	16.99	10.00	12.16	6.00
Europe	17.71	18.00	14.24	14.00	9.84	10.00	6.36	6.00
Japan	11.97	12.00	8.71	9.00	6.20	6.50	3.88	4.00
Asia Pacific	11.88	12.00	8.52	9.00	5.66	6.50	3.46	4.00
Emerging Markets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
World (Other)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Bonds</b>	<b>6.05</b>	<b>7.00</b>	<b>25.11</b>	<b>25.00</b>	<b>45.15</b>	<b>45.00</b>	<b>60.79</b>	<b>60.00</b>
USD*	2.80	-	12.13	-	21.51	-	29.04	-
Non-USD*	1.51	-	8.76	-	19.02	-	25.71	-
<b>Cash</b>	<b>0.48</b>	<b>3.00</b>	<b>1.46</b>	<b>5.00</b>	<b>1.61</b>	<b>5.00</b>	<b>6.07</b>	<b>10.00</b>

For details of benchmark, please refer to appendix.

Source: Fidelity International and percentages may not add up to 100% due to rounding.

\* Represents currency breakdown within the Bonds portion (FGIF & Fidelity Funds only).

# FAP asset allocation (as at 31 December 2024)

## 富達優越投資組合資產分佈(截至2024年12月31日)

	FAP Growth Fund 富達優越投資組合-增長		FAP Balanced Fund 富達優越投資組合-均衡		FAP Stable Growth Fund 富達優越投資組合-平穩增長		FAP Capital Stable Fund 富達優越投資組合-資本穩定	
	Fund 基金 (%)	Bmk 基準 (%)	Fund 基金 (%)	Bmk 基準 (%)	Fund 基金 (%)	Bmk 基準 (%)	Fund 基金 (%)	Bmk 基準 (%)
<b>Equities 股票</b>	<b>93.48</b>	<b>90.00</b>	<b>73.43</b>	<b>70.00</b>	<b>53.25</b>	<b>50.00</b>	<b>33.14</b>	<b>30.00</b>
Hong Kong 香港	20.59	24.00	16.10	19.20	10.07	13.60	4.45	8.00
China 中國	6.84	6.00	5.68	4.80	4.49	3.40	2.83	2.00
Americas 美洲	24.49	18.00	20.18	14.00	16.99	10.00	12.16	6.00
Europe 歐洲	17.71	18.00	14.24	14.00	9.84	10.00	6.36	6.00
Japan 日本	11.97	12.00	8.71	9.00	6.20	6.50	3.88	4.00
Asia Pacific 亞太區	11.88	12.00	8.52	9.00	5.66	6.50	3.46	4.00
Emerging Mkts 新興市場	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
World (Other) 世界(其他)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Bonds 債券</b>	<b>6.05</b>	<b>7.00</b>	<b>25.11</b>	<b>25.00</b>	<b>45.15</b>	<b>45.00</b>	<b>60.79</b>	<b>60.00</b>
USD* 美元*	2.80	-	12.13	-	21.51	-	29.04	-
Non-USD* 非美元*	1.51	-	8.76	-	19.02	-	25.71	-
<b>Cash 現金</b>	<b>0.48</b>	<b>3.00</b>	<b>1.46</b>	<b>5.00</b>	<b>1.61</b>	<b>5.00</b>	<b>6.07</b>	<b>10.00</b>

For details of benchmark, please refer to appendix. 有關基準的詳情, 請參閱附錄。  
Source: Fidelity International and percentages may not add up to 100% due to rounding 資料來源: 富達國際。由於進位數關係, 總額可能並不相等於100%。  
\* Represents currency breakdown within the Bonds portion (FGIF & Fidelity Funds only). 代表債券部分內貨幣分配 (僅包括富達環球投資基金及富達基金)。

# FAP Q4 2024 investment strategy

Asset Class	Strategy by Country	Investment Outlook & Future Investment Strategies for Coming Quarter
Equities:	<b>China/Hong Kong</b> – The Chinese government has provided strong indication to support growth, but measures so far have fallen short of market expectation. China has sufficient fiscal power to counteract potential impact from US tariff. That said any reactive fiscal measures are less likely to lift the growth picture above expectation; they are more likely to offset additional economic shocks.	Negative
	<b>US</b> – Strong fundamentals continue to drive US exceptionalism. Nonetheless, market valuation has moved up already and needs corporate earnings growth to sustain the rally. We are watching closely the policy agenda of the new administration. Trade policy uncertainty remains a top-of-mind concern while more expansionary fiscal policy, potential corporate tax relief and deregulation are likely to support growth	Positive
	<b>Europe</b> – The euro area faces structural headwinds ranging from ongoing industrial weakness to weak government leadership. US trade policy could be a further headache. However, a lot of bad news are already in the price, we are watching if the central bank and the governments are to step up their policy support and the geopolitical development regarding Russia and Ukraine.	Neutral
	<b>Japan</b> – Economic fundamentals remain solid thanks to robust servicing sector and strong foreign visitors' inbound spending. Nonetheless, recent survey data reflects some moderation in the manufacturing sector. Policy signal from the BoJ is also uncertain.	Neutral
	<b>Asia Pacific</b> – Asian economies will likely be relatively insulated from global shocks of potential US tariffs. For Korea and Taiwan, the regions are linked with global tech cycle, though the recent political uncertainty and tech cycle peaking could weigh on the sentiment.	Neutral
Fixed Income:	Higher bond yields with less Fed easing priced point to a better chance of outperforming cash, bonds should also buffer equities in case of growth stocks. However, bond yields remain volatile as the market narrative shifts amid growth, inflation and policy expectations; we stay tactical in duration positioning.	Neutral

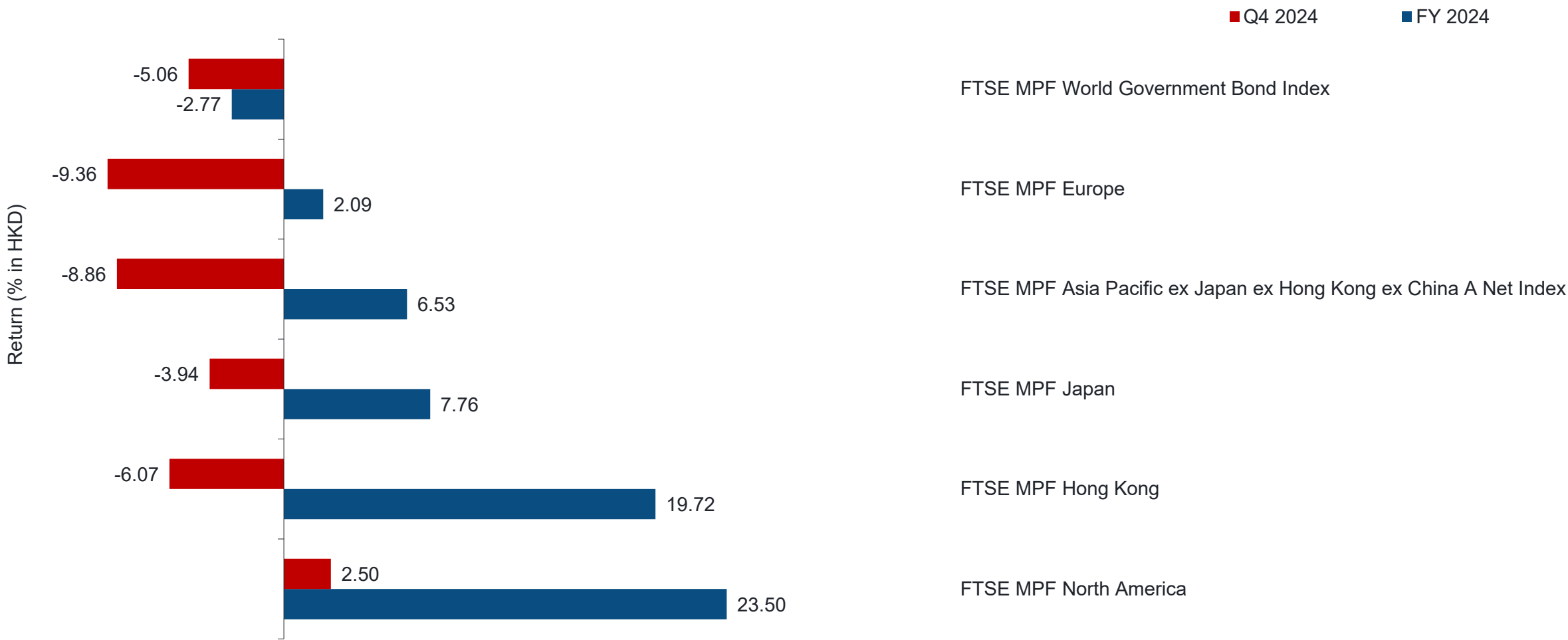
Source: Fidelity International, January 2025.

## Appendix – Market Review & Outlook

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# Market review

(as of 31 December 2024)



Source: Fidelity International.

# Market outlook

January 2025



China / Hong Kong

**Negative**



N. America

**Positive**



Europe

**Neutral**



Japan

**Neutral**



Asia Pacific

**Neutral**



Bonds

**Neutral**

Source: Fidelity International.

# Appendix

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# FAP calendar year performance & benchmark components

	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
<b>FAP Growth Fund</b>	15.33	2.31	-19.85	5.03	9.31
<b>FAP Balanced Fund</b>	14.42	0.91	-19.13	4.79	6.83
<b>FAP Stable Growth Fund</b>	13.36	-0.54	-18.80	5.00	4.13
<b>FAP Capital Stable Fund</b>	11.49	-1.76	-17.77	5.22	1.80

Source: Fidelity International, FAP Funds are Ordinary Class, net of fees, NAV to NAV in HKD.  
Past performance is not indicative of future performance.

Indices (%)	FAP Growth Fund	FAP Balanced Fund	FAP Stable Growth Fund	FAP Capital Stable Fund
<b>Equities</b>	<b>90</b>	<b>70</b>	<b>50</b>	<b>30</b>
FTSE MPF Hong Kong	24	19.2	13.6	8
FTSE China A Stock Connect CNH Index	6	4.8	3.4	2
FTSE AW North America	18	14	10	6
FTSE AW Europe	18	14	10	6
FTSE World Japan Total Return Index	12	9	6.5	4
FTSE AW Asia Pacific ex Japan ex HK ex China	12	9	6.5	4
<b>Bonds</b>	<b>7</b>	<b>25</b>	<b>45</b>	<b>60</b>
FTSE World Government Bond Index (35% hedged to HKD)	7	25	45	60
<b>Cash</b>	<b>3</b>	<b>5</b>	<b>5</b>	<b>10</b>
US 3 Month Treasury Bill	3	5	5	10

Source: Fidelity International, June 2024.



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# FAP performance vs. benchmark in HKD

(As of 31 January 2025)

		Q1 2024 (%)	Q2 2024 (%)	Q3 2024 (%)	Q4 2024 (%)	YTD Jan 2025 (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Lifecycle Funds									
Growth Fund	Fund (Net of Full Fees)	3.44	2.49	8.70	-5.14	1.62	13.77	-1.04	2.65
	Fund (Gross of Fees)	3.68	2.73	8.96	-4.91	1.70	14.87	-0.13	3.58
	Benchmark	3.73	2.43	10.97	-4.77	2.55	18.12	3.43	5.36
Balanced Fund	Fund (Net of Full Fees)	2.40	1.73	7.69	-4.77	1.26	10.45	-1.80	1.61
	Fund (Gross of Fees)	2.63	1.97	7.95	-4.54	1.34	11.50	-0.89	2.52
	Benchmark	2.53	1.68	9.74	-4.45	2.10	14.17	1.91	3.74
Stable Growth Fund	Fund (Net of Full Fees)	1.39	0.98	6.79	-4.76	1.02	6.96	-2.58	0.49
	Fund (Gross of Fees)	1.62	1.22	7.04	-4.53	1.10	7.97	-1.69	1.39
	Benchmark	1.36	0.83	8.44	-4.24	1.67	9.99	0.25	2.03
Capital Stable Fund	Fund (Net of Full Fees)	0.51	0.09	5.65	-4.23	0.74	3.76	-3.04	-0.48
	Fund (Gross of Fees)	0.74	0.32	5.90	-4.00	0.82	4.72	-2.16	0.41
	Benchmark	0.35	0.11	6.89	-3.78	1.25	6.18	-0.99	0.56

Source: Fidelity International, Ordinary Class, net & gross of fees, in HKD.