

Hong Kong Baptist University (1998) Superannuation Fund

Investment Review for the Quarter Ending 31 March 2025

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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

HKBU portfolio size summary for the past year

	FAP Growth Fund		FAP Balanced Fund		FAP Stable Growth Fund		FAP Capital Stable Fund	
31 March 2025 (USD/HKD FX rate: 7.7803)	US\$ (HK\$	37,735,426.78 293,592,940.98)	US\$ (HK\$	14,802,627.94 115,168,886.16)	US\$ (HK\$	15,248,269.97 118,636,114.85)	US\$ (HK\$	11,012,915.63 85,683,787.48)
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)

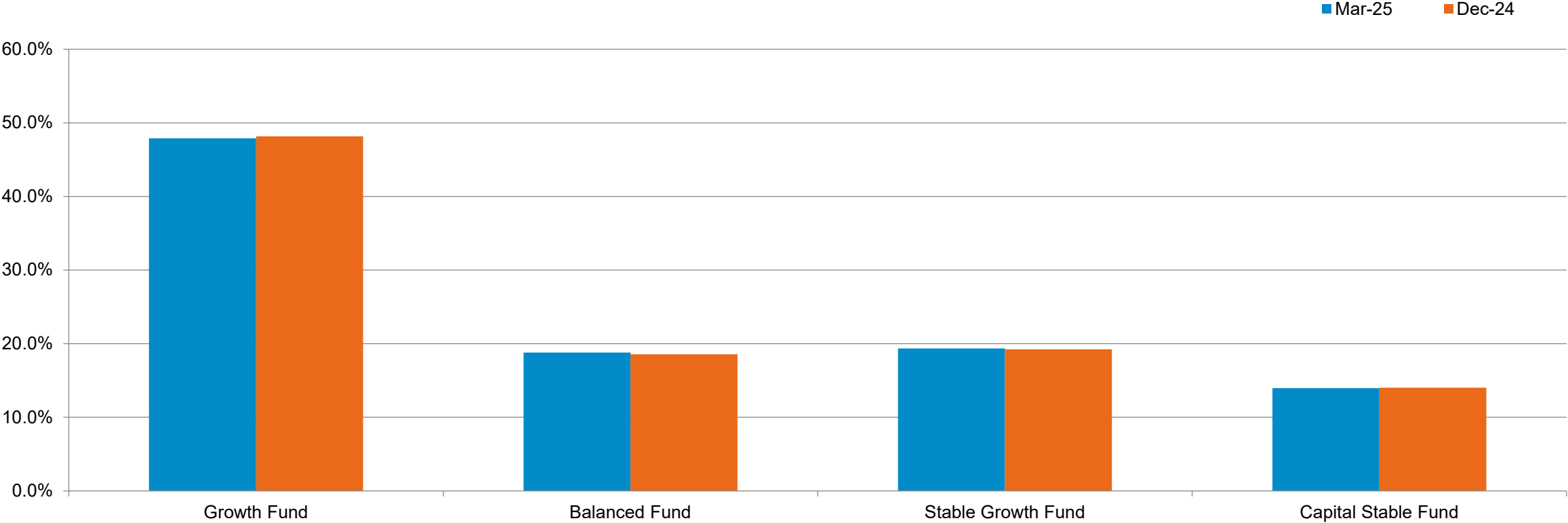
Please note the dealing currency of FAP Growth, Balanced, Stable Growth and Capital Stable Fund is USD and the FX rate and the HKD equivalent values are for indication only.

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 613.08 mil (as at 31 March 2025)
HKD 588.72 mil (as at 31 December 2024)



Source: Fidelity International and HSBC. Percentages may not add up to 100% due to rounding.
The reference USD/HKD FX as of 31 March 2025: 7.78030 and 31 December 2024: 7.76795.

Fidelity Advantage Portfolio Fund – Performance Summary

Key position adjustments during Q1 2025

- **Nimble on equity overall, focus on relative opportunities in regions, styles and sectors**
 - ✓ Tilt towards high quality companies with low volatility characteristics and defensive sectors equities, which tend to perform more resiliently in uncertain markets.
 - ✓ Introduced Australian equities as Australia is a net importer from the US, making the country at a relatively safer place from the US trade war target.
- **Took profits from North America equity**
 - ✓ Turn from overweight to neutral/small underweight in the region by trimming the growth-oriented exposure as the impact from policy uncertainty are weighing on corporate and consumer activities and sentiment.
 - ✓ Built defensiveness through defensive equities such as US utilities and minimum volatility focused equities. Also built some exposure in US financials for its dividend and relatively better valuation buffer.
- **Gradually added to a nimbly overweight position in Hong Kong/China equity in view of supportive policy and improving economic activities**
- **Added further in Europe equity**
 - ✓ After added Europe to neutral last quarter, we continue adding Europe to overweight on the back of tentative signs of activities bottoming out.
 - ✓ Major shift of fiscal policy stance as well as continued supportive tone from ECB further add to our confidence as we added to eurozone focused equity exposure.

Source: Fidelity International, May 2025.

Key position adjustments during Q1 2025

- **Remained cautious on Japan and Asia Pacific**
 - ✓ We retain underweight in Japan equity due to trade policy uncertainties and the BOJ's policy normalization
 - ✓ We also turn more cautious on Asia Pacific ex Japan overall as the universal US reciprocal tariff policy is challenging the original long-held thesis of supply chain diversification away from China to rest of Asia.

- **Added to duration and retained the tilt towards high quality credit**
 - ✓ Short-term equity-bond correlation shifted from positive to negative driven by growth fear towards the end the quarter, meaning that bond could act as a portfolio diversifier. Specifically, we added to US inflation-linked bond to protect the portfolio against inflation risk and Japan government bond ETF with embedded JPY exposure to enhance defensiveness.

- **We also introduced the physical gold and gold producer equities over the quarter for uncorrelated exposure to protect the portfolio against geopolitical uncertainty and inflation risk.**

Source: Fidelity International, May 2025.

FAP annualised performance vs. benchmark & median

(as at 31 March 2025)

		Q1 2025 (%)	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.)
FAP Growth Fund*	Fund (Net)	3.17			9.04			1.17			6.20			6.68
	<i>Benchmark</i>	4.71	3.88	3.08	13.35	10.98	9.33	5.38	3.44	2.14	9.24	9.36	7.95	7.34
	<i>Median^</i>	3.40			9.61			2.51			8.63			-
	Ranking/No. of Funds^	6/9			8/9			9/9			9/9			-
FAP Balanced Fund*	Fund (Net)	2.85			7.30			0.30			4.33			5.97
	<i>Benchmark</i>	4.19	3.15	2.82	11.08	8.57	7.51	3.82	2.12	1.29	6.72	6.88	6.01	6.55
	<i>Median^</i>	3.02			8.10			1.66			6.36			-
	Ranking/No. of Funds^	8/12			10/12			11/12			11/11			-
FAP Stable Growth Fund*	Fund (Net)	2.58			5.35			-0.60			2.46			5.17
	<i>Benchmark</i>	3.54	2.88	2.69	8.40	7.09	5.61	2.08	1.21	0.41	4.16	4.46	3.44	5.70
	<i>Median^</i>	2.82			6.49			0.69			3.90			-
	Ranking/No. of Funds^	9/9			8/9			9/9			9/9			-
FAP Capital Stable Fund**	Fund (Net)	2.00			3.31			-1.31			0.74			1.78
	<i>Benchmark</i>	2.85	2.55	2.16	5.90	5.05	3.71	0.68	0.23	-0.47	1.88	2.33	1.48	2.57
	<i>Median^</i>	2.41			4.37			-0.15			1.90			-
	Ranking/No. of Funds^	9/9			9/9			9/9			9/9			-

Source: Fidelity International, Ordinary Class, net of fees in HKD, as 31 March 2025

^ 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 March 2025)

		Q1 2025 (%)	Last 1 Year (%)	Last 3-Year (%)	Last 5-Year (%)	Since inception (%)
FAP Growth Fund*	Fund	3.17	9.04	3.56	35.07	340.10
	Benchmark	4.71	13.35	17.02	55.53	406.69
FAP Balanced Fund*	Fund	2.85	7.30	0.91	23.59	277.76
	Benchmark	4.19	11.08	11.90	38.45	327.64
FAP Stable Growth Fund*	Fund	2.58	5.35	-1.79	12.94	217.55
	Benchmark	3.54	8.40	6.36	22.61	255.86
FAP Capital Stable Fund**	Fund	2.00	3.31	-3.89	3.76	15.30
	Benchmark	2.85	5.90	2.05	9.74	22.74

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

(Q1 2025 performance attribution)

Portfolio Return	3.42	Asset allocation added value, but stock selection slightly detracted from the portfolio.
Benchmark Return	4.71	
Value Added	-1.29	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
Bonds	3.30	2.03	0.04	0.05	-1.40	<p>Positive</p> <ul style="list-style-type: none"> Asset allocation gained value as adding position in Hong Kong equities timely is notable contributor. Underweight position to Japanese equities and Bonds added further value. In Europe, the banking sector benefitted from rising European bond yields as investors adjusted their expectations for US rate cuts following stronger-than-expected inflation data. Later in the quarter, banking stocks received additional support from Germany's stimulus package. As a result, the fund's holdings in Lloyds, BNP Paribas, ABN AMRO Bank, Intesa Sanpaolo and DNB were among the top ten contributors. In Japan, shares in entertainment group Sony delivered another strong quarter of Q3 2024, driven by its gaming and music segments, and upgraded its full-year guidance. Streaming revenue at the music business reaccelerated with the potential for further value creation and monetisation. Meanwhile, Sony announced a ¥50 billion share buyback. <p>Negative</p> <ul style="list-style-type: none"> Within Hong Kong, underexposure to mobile manufacturer Xiaomi weighed on performance given the strong debut of Xiaomi's new flagship smartphone and on-going momentum since the launch of its first electric car, which is yet to be a profitable business segment. In China, selection in iShares FTSE A50 China and iShares Core CSI 300 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. In World equities, position in iShares Semiconductor strategy held back gains. The technology stocks particular semiconductor names weighed on performance in the wake of China's DeepSeek claiming the development of efficient low-cost AI models.
Equities	4.95	6.02	0.19	-0.42		
Hong Kong	14.57	15.58	0.22	-0.37		
China	-0.72	0.74	0.04	-0.19		
US	-3.12	-3.94	-0.02	0.03		
Europe	11.80	10.51	0.02	0.14		
Japan	2.60	1.11	0.06	0.09		
Asia Pac ex Jap	-3.80	-4.30	0.03	0.00		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-8.52	-1.70	-0.15	-0.12		
Cash	5.26	2.38	0.04	0.05		
Total	3.42	4.71	0.28	-0.17	-1.29	

Source: Fidelity International, in HKD as of 31 March 2025. Attribution numbers are rounded to two decimal places.

FAP Balanced Fund

(Q1 2025 performance attribution)

Portfolio Return	3.09	Asset allocation added value, but stock selection detracted from the portfolio.
Benchmark Return	4.19	
Value Added	-1.10	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
Bonds	2.06	2.03	0.02	-0.01	-0.41	<p>Positive</p> <ul style="list-style-type: none"> Asset allocation gained value particular added position to Hong Kong equities timely is notable contributor. Hong Kong equities perform strong following the release of DeepSeek's AI model and as the National People's Congress, China's legislature, indicated that there would be more support for technological innovation, alongside consumption stimulus. Underweight position to Japanese equities added further value. Japanese stocks lost ground during the quarter as concerns over US trade policies constraining global economic activity intensified. The US administration's move to impose a 25% tariff on imported vehicles and parts precipitated a sharp sell-off in risk assets. Overweight position to European equities gained as it outperformed other developed markets, buoyed by strong corporate earnings, limited exposure to technology stocks, optimism over a potential resolution to the Ukraine war, and a fiscal shift toward higher defence spending in Europe. <p>Negative</p> <ul style="list-style-type: none"> In the US, exposure to iShares S&P 500 Growth and America equity strategy detracted from the performance. The holding in chip maker Marvell Technology fell in line with the global cyclical sectors including semiconductors. Elsewhere, less exposure to pharmaceuticals company Eli Lilly held back gains as its shares advanced following strong revenue growth in the fourth quarter. In China, selection in iShares FTSE A50 China and iShares Core CSI 300 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. In Japan, exposure to Next Funds Topix Banks strategy held back gains. The financial names slid in March as uncertainties surrounding US trade policies and the domestic political landscape made the timing of the next rate hike harder to predict.
Equities	4.75	6.19	0.21	-0.88		
Hong Kong	16.43	15.58	0.17	-0.05		
China	-0.75	0.74	0.02	-0.17		
US	-4.06	-3.94	0.01	-0.31		
Europe	10.50	10.51	0.04	-0.11		
Japan	1.54	1.11	0.07	-0.12		
Asia Pac ex Jap	-3.82	-4.30	0.04	-0.03		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-7.36	-1.70	-0.14	-0.09		
Cash	5.57	2.38	0.07	0.05		
Total	3.09	4.19	0.30	-0.99	-1.10	

Source: Fidelity International, in HKD as of 31 March 2025. Attribution numbers are rounded to two decimal places.

FAP Stable Growth Fund

(Q1 2025 performance attribution)

Portfolio Return	2.81	Asset allocation added value, but stock selection slightly detracted from the portfolio.
Benchmark Return	3.54	
Value Added	-0.72	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
Bonds	2.62	2.03	0.01	0.29	-0.88	<p>Positive</p> <ul style="list-style-type: none"> Asset allocation gained value particular added position to Hong Kong equities timely is notable contributor. Hong Kong equities perform strong following the release of DeepSeek's AI model and as the National People's Congress, China's legislature, indicated that there would be more support for technological innovation, alongside consumption stimulus. Underweight position to Japanese equities added further value. Japanese stocks lost ground during the quarter as concerns over US trade policies constraining global economic activity intensified. The US administration's move to impose a 25% tariff on imported vehicles and parts precipitated a sharp sell-off in risk assets. Overweight position to European equities gained as it outperformed other developed markets, buoyed by strong corporate earnings, limited exposure to technology stocks, optimism over a potential resolution to the Ukraine war, and a fiscal shift toward higher defence spending in Europe. <p>Negative</p> <ul style="list-style-type: none"> In China, selection in iShares FTSE A50 China and iShares Core CSI 300 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. Within Hong Kong, underexposure to mobile manufacturer Xiaomi weighed on performance given the strong debut of Xiaomi's new flagship smartphone and on-going momentum since the launch of its first electric car, which is yet to be a profitable business segment. In World equities, position in iShares Semiconductor strategy held back gains. The technology stocks particular semiconductor names weighed on performance in the wake of China's DeepSeek claiming the development of efficient low-cost AI models.
Equities	5.00	6.14	0.16	-0.37		
Hong Kong	15.98	15.58	0.13	-0.11		
China	-0.70	0.74	0.01	-0.15		
US	-3.36	-3.94	0.00	-0.10		
Europe	10.84	10.51	0.03	-0.02		
Japan	2.96	1.11	0.06	-0.01		
Asia Pac ex Jap	-1.07	-4.30	0.05	0.15		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-8.57	-1.70	-0.13	-0.12		
Cash	5.35	2.38	0.05	0.05		
Total	2.81	3.54	0.22	-0.06	-0.72	

Source: Fidelity International, in HKD as of 31 March 2025. Attribution numbers are rounded to two decimal places.

FAP Capital Stable Fund

(Q1 2025 performance attribution)

Portfolio Return	2.24	Asset allocation added value, but stock selection detracted from the portfolio.
Benchmark Return	2.85	
Value Added	-0.61	

Asset Class	Fund Return (in %)	Benchmark Return (in %)	Asset Allocation (in %)	Stock Selection (in %)	Exchange & Residual Effect (in %)	Commentaries
Bonds	1.72	2.03	0.00	-0.14	0.06	<p>Positive</p> <ul style="list-style-type: none"> Asset allocation gained value particular added position to Hong Kong equities timely is notable contributor. Hong Kong equities perform strong following the release of DeepSeek's AI model and as the National People's Congress, China's legislature, indicated that there would be more support for technological innovation, alongside consumption stimulus. Underweight position to Japanese equities added further value. Japanese stocks lost ground during the quarter as concerns over US trade policies constraining global economic activity intensified. The US administration's move to impose a 25% tariff on imported vehicles and parts precipitated a sharp sell-off in risk assets. Overweight position to the US equities in January and less position in March gained as market reflects optimism around the new administration's promises of deregulation and tax cuts, besides a strong start to the earnings season. However, the market grew uncertainty over the outlook for US economic growth fuelled fears of stagflation in March. <p>Negative</p> <ul style="list-style-type: none"> Within Hong Kong, underexposure to mobile manufacturer Xiaomi weighed on performance given the strong debut of Xiaomi's new flagship smartphone and on-going momentum since the launch of its first electric car, which is yet to be a profitable business segment. In China, selection in iShares FTSE A50 China and iShares Core CSI 300 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. In World equities, position in iShares Semiconductor strategy held back gains. The technology stocks particular semiconductor names weighed on performance in the wake of China's DeepSeek claiming the development of efficient low-cost AI models.
Equities	3.28	6.02	0.09	-0.74		
Hong Kong	-3.97	-3.94	0.06	-0.17		
China	14.40	15.58	0.00	-0.11		
US	-0.65	0.74	0.04	-0.17		
Europe	10.78	10.51	0.03	-0.06		
Japan	-0.01	1.11	0.05	-0.07		
Asia Pac ex Jap	-4.50	-4.30	0.02	-0.03		
Emerging Mkts	0.00	0.00	0.00	0.00		
World (Others)	-8.61	-1.70	-0.12	-0.12		
Cash	2.33	1.18	0.05	0.05		
Total	2.24	2.85	0.15	-0.82	-0.61	

Source: Fidelity International, in HKD as of 31 March 2025. Attribution numbers are rounded to two decimal places.

Asset Allocation & Investment Strategy

FAP asset allocation

(as at 31 March 2025)

	Growth Fund		Balanced Fund		Stable Growth Fund		Capital Stable Fund	
	Fund (%)	Bmk (%)	Fund (%)	Bmk (%)	Fund (%)	Bmk (%)	Fund (%)	Bmk (%)
Equities	93.83	90.00	72.76	70.00	52.96	50.00	32.75	30.00
Hong Kong	26.92	24.00	21.62	19.20	15.55	13.60	9.31	8.00
China	4.46	6.00	3.37	4.80	1.91	3.40	0.74	2.00
Americas	17.54	18.00	13.23	14.00	9.92	10.00	5.62	6.00
Europe	20.23	18.00	16.59	14.00	12.04	10.00	8.44	6.00
Japan	11.12	12.00	7.93	9.00	5.72	6.50	2.83	4.00
Asia Pacific	9.96	12.00	6.33	9.00	4.23	6.50	2.22	4.00
Emerging Markets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
World (Other)	3.60	0.00	3.69	0.00	3.59	0.00	3.59	0.00
Bonds	5.19	7.00	26.10	25.00	45.60	45.00	61.43	60.00
USD*	1.25	-	10.91	-	20.36	-	29.57	-
Non-USD*	1.07	-	7.03	-	16.72	-	22.21	-
Cash	0.98	3.00	1.14	5.00	1.44	5.00	5.82	10.00

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 March 2025)

富達優越投資組合資產分佈(截至2025年3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 (%)
Equities 股票	93.83	90.00	72.76	70.00	52.96	50.00	32.75	30.00
Hong Kong 香港	26.92	24.00	21.62	19.20	15.55	13.60	9.31	8.00
China 中國	4.46	6.00	3.37	4.80	1.91	3.40	0.74	2.00
Americas 美洲	17.54	18.00	13.23	14.00	9.92	10.00	5.62	6.00
Europe 歐洲	20.23	18.00	16.59	14.00	12.04	10.00	8.44	6.00
Japan 日本	11.12	12.00	7.93	9.00	5.72	6.50	2.83	4.00
Asia Pacific 亞太區	9.96	12.00	6.33	9.00	4.23	6.50	2.22	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)	3.60	0.00	3.69	0.00	3.59	0.00	3.59	0.00
Bonds 債券	5.19	7.00	26.10	25.00	45.60	45.00	61.43	60.00
USD* 美元*	1.25	-	10.91	-	20.36	-	29.57	-
Non-USD* 非美元*	1.07	-	7.03	-	16.72	-	22.21	-
Cash 現金	0.98	3.00	1.14	5.00	1.44	5.00	5.82	10.00

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 Q1 2025 investment strategy

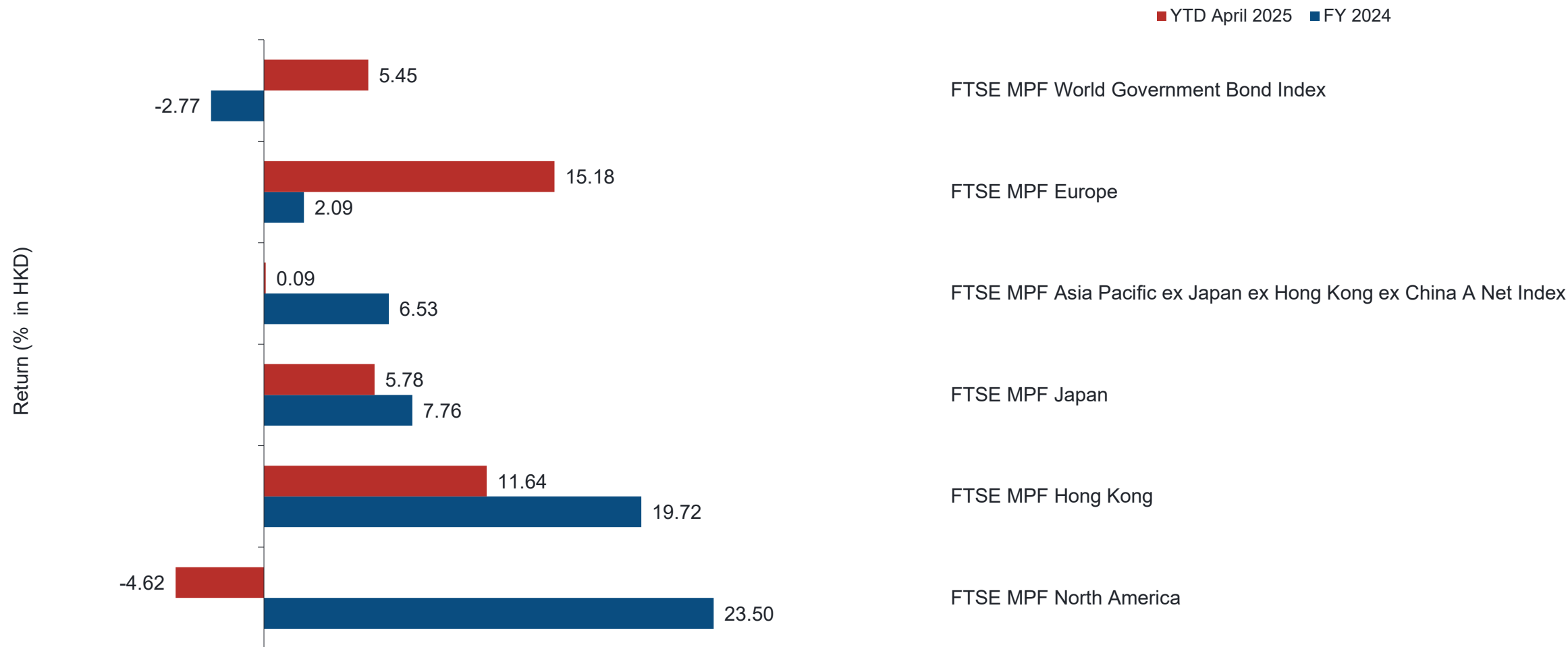
Asset Class	Strategy by Country	Investment Outlook & Future Investment Strategies for Coming Quarter
Equities:	China/Hong Kong – The immediate impact of higher tariffs on China will be felt in exports, but the structure of global trade has shifted since Trump’s first term. China has significantly reduced its export dependency on the US, and Chinese company revenues from the US are now in the low single digits. Government’s policy pivot remains in the backdrop while the advancement of AI in the country could prove a wider boon to productivity, translating into improved earnings across the economy.	Neutral/ Negative
	US – The combination of tariffs, immigration crackdowns, fiscal austerity and falling investment intentions as a result of policy uncertainty could increase negative growth risks and higher inflation. This stagflationary scenario puts the Federal Reserve in a bind, unable to cut interest rates proactively to support growth. Uncertainty of tariffs will likely weigh on demand for labour going forward. Any drawn-out tariff negotiations will also add further downside risks.	Negative
	Europe – The impact on European economies is expected to be severe. The EU will take a growth hit from tariffs through both the direct trade impacts and the associated uncertainty. However, there are encouraging signs as Europe adopts self-help measures, including fiscal stimulus initiatives and further interest rate cuts. Weakening oil and gas prices will also benefit some industrial sectors and European consumers as it can counteract some of the inflationary impacts and negative growth effects.	Neutral
	Japan – Combined with a 25 per cent tariff on autos, there will be a direct impact on the Japanese economy via exports. There is also the prospect of the reciprocal tariffs having a secondary impact through a slowdown in Japan’s other trading partners. External factors continue to overshadow positive domestic developments. Rising wage and a stronger yen could make it difficult for the Bank of Japan (BoJ) to turn dovish and cloud the overall earnings outlook.	Negative
	Asia Pacific – US reciprocal tariff policy universally could be challenging to region, ASEAN countries, Taiwan and India appear less prepared under this tariff environment. 25 per cent tariff on autos can also hit Korea badly. Australia is a net importer from the US, making the country at a relatively safer place from the US trade war target. Singapore-based firms may also find ways to partially mitigate tariff impacts, thanks to Singapore’s lower tariff profile.	Neutral
Fixed Income:	Tariffs will primarily be a threat to growth rather than have a permanent impact on inflation. Duration exposure would benefit from a weakening US and global growth outlook. We favour long US duration with the view that recession risks have materially increased on the current path. We remain tactical in credits; adding spread via duration is preferable given the risks skew towards credit spread decompression.	Positive

Source: Fidelity International, April 2025.

Appendix – Market Review & Outlook

Market review

(As at 30 April 2025)



Source: Fidelity International.

Portfolio Strategy

May 2025



China / Hong Kong

Neutral / Negative



N. America

Negative



Europe

Neutral



Japan

Negative



Asia Pacific

Neutral



Bonds

Positive

Source: Fidelity International.

Appendix

FAP performance vs. benchmark in HKD

(As of 30 April 2025)

		Q2 2024 (%)	Q3 2024 (%)	Q4 2024 (%)	Q1 2025 (%)	YTD Apr 2025 (%)	1 Year (%)	3 Years (% p.a.)	5 Years (% p.a.)
Lifecycle Funds									
Growth Fund	Fund (Net of Full Fees)	2.49	8.70	-5.14	3.17	2.83	9.66	3.36	4.54
	Fund (Gross of Fees)	2.73	8.96	-4.91	3.42	3.15	10.71	4.31	5.49
	Benchmark	2.43	10.97	-4.77	4.71	5.78	15.52	8.20	7.93
Balanced Fund	Fund (Net of Full Fees)	1.73	7.69	-4.77	2.85	2.69	8.56	2.41	3.02
	Fund (Gross of Fees)	1.97	7.95	-4.54	3.09	3.00	9.58	3.35	3.95
	Benchmark	1.68	9.74	-4.45	4.19	5.48	13.84	6.59	5.76
Stable Growth Fund	Fund (Net of Full Fees)	0.98	6.79	-4.76	2.58	2.87	7.68	1.60	1.54
	Fund (Gross of Fees)	1.22	7.04	-4.53	2.81	3.18	8.69	2.53	2.45
	Benchmark	0.83	8.44	-4.24	3.54	5.17	12.03	4.89	3.55
Capital Stable Fund	Fund (Net of Full Fees)	0.09	5.65	-4.23	2.00	2.53	6.35	0.84	0.16
	Fund (Gross of Fees)	0.32	5.90	-4.00	2.24	2.83	7.34	1.76	1.05
	Benchmark	0.11	6.89	-3.78	2.85	4.70	10.07	3.40	1.59

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

FAP calendar year performance & benchmark components

	2020 (%)	2021 (%)	2022 (%)	2023 (%)	2024 (%)
FAP Growth Fund	15.33	2.31	-19.85	5.03	9.31
FAP Balanced Fund	14.42	0.91	-19.13	4.79	6.83
FAP Stable Growth Fund	13.36	-0.54	-18.80	5.00	4.13
FAP Capital Stable Fund	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
Equities	90	70	50	30
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
Bonds	7	25	45	60
FTSE World Government Bond Index (35% hedged to HKD)	7	25	45	60
Cash	3	5	5	10
US 3 Month Treasury Bill	3	5	5	10

Source: Fidelity International, 2025.

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