



APG launches fixed income strategy in China in collaboration with partner E Fund

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Dutch pension investor APG AM has launched a fixed income strategy in China, together with its partner E Fund, the largest comprehensive fund manager in China.

This is the first fixed income strategy in China that fully incorporates the Responsible Investment policies of APG's pension funds clients. Included in this is the aim to increase investments that contribute to the United Nations' Sustainable Development Goals.

Sandor Steverink, Head of Treasuries at APG's asset management division (APG AM) said: "As a pension investor, we are always looking for attractive investments that realize stable, long-term sustainable returns for our pension fund clients and their beneficiaries. In the current low yield environment, we welcome investments that have both solid returns and relatively low risk profiles. With the Chinese market opening more and more to international investors, this is a good opportunity for us. With the creation of this strategy together with our partner E Fund, our investment advisor for this strategy, we enlarge our investment universe in a major market."

Jian Hu, managing director of fixed income at E Fund said: "We are really excited to further develop our partnership with APG by releasing this strategy. China's bond market needs to learn and implement more sophisticated principles and rules from developed markets. Responsible investment is still a relatively new step in China, yet the regulators and government encourage the initiatives. E Fund is leading the fixed income investment in the industry both from its performance and capabilities, and we have been fully prepared on the responsible investment integration from different aspects, including organizational structure, investment and research process. We believe what we are doing here will create a significant impact to institutional investors and our market."

APG AM's China Fixed Income portfolio managers and credit research analysts will work closely together with E Fund's Fixed Income analysts and experts. E Fund will also support the engagement process towards issuers and other market participants and make its network available for new opportunities and new relationships that are relevant for the success of this strategy.

APG also announces the establishment of a Shanghai and Beijing satellite office to support APG AM in the execution of this investment strategy. Sandor Steverink said: "To execute this strategy successfully, we need to have people present in China. By having our own office locations in China, we can work closely and better with our partner E Fund, who is just a short walk away from our Beijing office. Setting up local offices also underlines our long-term commitment to China and to this investment strategy".

The China fixed income strategy is the second investment strategy of APG AM with E Fund, next to its €594 million (\$657 million) China A Shares strategy that was launched early 2018.

About the APG – E Fund partnership

The APG-E Fund partnership wants to be regarded throughout the investment management industry as a thought leader and enabler for long term responsible investing inside and outside China. APG AM and E Fund investment professionals innovate and work together to produce industry-leading investment solutions based on a shared motivation to contribute to society with excellent returns and a genuine interest in long term and responsible investing. By bringing together the global investment capabilities, experience and insights of both organizations in China the partnership stands for making investments towards a better and more sustainable world.

**About APG**

APG is the largest pension delivery organisation in the Netherlands; its approximately 3,000 employees provide executive consultancy, asset management, pension administration, pension communication and employer services. APG performs these services on behalf of (pension) funds and employers in the sectors of education, government, construction, cleaning and window cleaning, housing associations, energy and utility companies, sheltered employment organizations, and medical specialists. APG manages approximately €528 billion / US\$581 billion (October 2019) in pension assets for the pension funds in these sectors. APG works for approximately 21,000 employers, providing the pension for one in five families in the Netherlands (about 4.6 million participants). APG has offices in Amsterdam, Heerlen, Brussels, New York and Hong Kong.

About E Fund

E Fund Management Co., Ltd. ("E Fund") is the largest comprehensive fund manager in China. It offers both mutual fund and customized asset management solutions to help its onshore and offshore clients fulfil their investment objectives, assisting them to achieve long-term and sustainable returns. As of September 30, 2019, E Fund manages over RMB 1.3 trillion (USD 193 billion). It is ranked No.1 for assets under management and is the only asset manager in China that has been consecutively ranked among top 5 for over 14 years since 2005. It is widely recognized as one of the most trusted and outstanding asset managers of China.