

Taiping Investment Fund
(the “Fund”)
Taiping Greater China New Momentum Equity Fund
(the “Sub-Fund”)

Notice to Unitholders

This document is important and requires you immediate attention. If in doubt, please seek professional advice.

The Securities and Futures Commission of Hong Kong (“SFC”) takes no responsibility for the accuracy of any of the statements made or opinions expressed in this notice.

SFC authorisation is not a recommendation or endorsement of the Fund and the Sub-Fund nor does it guarantee the commercial merits of the Fund and the Sub-Fund or their performance. It does not mean the Fund and the Sub-Fund are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.

All capitalised terms used in this document have the same meaning as in the Explanatory Memorandum of the Fund and the Sub-Fund dated February 2022 (the “**Explanatory Memorandum**”), unless otherwise defined herein.

Dear Unitholders

We are writing to inform you of the following changes to the investment policy of the Sub-Fund, which will take effect from 31 March 2022 (the “**Effective Date**”):

1. Investment in China A-Shares via Shenzhen-Hong Kong Stock Connect in addition to Shanghai-Hong Kong Stock Connect

Change of investment strategy

The investment strategy of the Sub-Fund has been revised to provide flexibility to the Sub-Fund to invest directly in eligible China A-Shares via Shenzhen-Hong Kong Stock Connect in addition to investment via the Shanghai-Hong Kong Stock Connect. The Sub-Fund’s exposure in China A-Shares will be increased from 20% of non-cash assets to 50% of its NAV. The Sub-Fund’s investment scope in China A-Shares will be expanded to both Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect (together, “**Stock Connect**”) or via Qualified Investors (“**QI**”) status instead of Shanghai-Hong Kong Stock Connect alone. The Sub-Fund may also invest up to 30% of its NAV in ChiNext market and Science and Technology Innovation Board (the “**STAR Board**”) in total.

Overview of Shenzhen-Hong Kong Stock Connect

The Shenzhen-Hong Kong Stock Connect is a securities trading and clearing linked program developed by Hong Kong Exchanges and Clearing Limited (“**HKEx**”), Shenzhen Stock Exchange (“**SZSE**”) and China Securities Depository and Clearing Corporation Limited (“**ChinaClear**”), to achieve mutual stock market access between mainland China and Hong Kong.

The Shenzhen-Hong Kong Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company established by SEHK, may be able to trade eligible shares listed on SZSE by routing orders to SZSE.

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors will be able to trade certain stocks listed on the SZSE market (i.e. “**SZSE Securities**”). These include all the constituent stocks of the SZSE Component Index, SZSE Small/Mid Cap Innovation Index which have

a market capitalization of RMB 6 billion or above and all SZSE-listed shares of companies which have issued both China A-Shares and H Shares, except the following:

- (a) SZSE-listed shares which are not traded in RMB; and
- (b) SZSE-listed shares which are under risk alert or under delisting arrangement.

Please note that the A Shares traded through Shenzhen-Hong Kong Stock Connect are issued in scripless form, so investors will not hold any physical A Shares. Hong Kong and overseas investors who have acquired SZSE Securities through Northbound trading should maintain the SZSE Securities with their brokers' or custodians' stock accounts with CCASS (the Central Clearing and Settlement System operated by HKSCC for the clearing securities listed or traded on SEHK).

Please refer to the Explanatory Memorandum of the Fund and Sub-Fund for further information relating to the Shenzhen-Hong Kong Stock Connect, including the trading quota, settlement and custody arrangement, participation in corporate actions and shareholders' meetings and trading and settlement currency.

Risks applicable to the Sub-Fund as a result of the above changes

Following the Sub-Fund's increased exposure to China A Shares, the Sub-Fund will continue to be subject to the general risks associated with investing in the China markets, including liquidity risk, volatility risk, foreign exchange/currency risk, changes in social, political or economic policies, legal or regulatory event and uncertainties with respect to taxation policies, risks associated with Stock Connect, risks associated with ChiNext market and/or STAR Board, risk associated with investment made through QI regime, risks associated with investments in financial derivative instruments, concentration risk and other risks associated with investing in emerging markets. The Sub-Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy will continue to be subject to the applicable laws, rules and regulations in the People's Republic of China, which are subject to change and such change may have potential retrospective effect.

Risks associated with the Shenzhen-Hong Kong Stock Connect

Please note that investments through the Shenzhen-Hong Kong Stock Connect are subject to additional risks, namely, quota limitations, suspension risk, differences in trading day, operational risk, restrictions on selling imposed by front-end monitoring, foreign shareholding restrictions on A Shares, short swing profit rule, recalling of eligible stocks, clearing and settlement risk, participation in corporate actions and shareholders' meetings, regulatory risk and taxation risk.

2. Amendments to the Explanatory Memorandum and Product Key Facts Statement ("KFS")

The Explanatory Memorandum and the KFS of the Fund and Sub-Fund will be amended to reflect the changes set out above. The disclosures on the percentage allocation of the assets in the Sub-Fund in the Explanatory Memorandum will also be updated accordingly.

Copies of the amended Explanatory Memorandum and KFS reflecting the changes above can be obtained free of charge during the normal office hours on any day (excluding Saturdays, Sundays and public holidays) at the offices of the Manager at Unit 1-2 19/F, 18 King Wah Road, Hong Kong from the Effective Date. The amended Explanatory Memorandum and KFS reflecting the changes above will also be available on the Manager's website at: <http://www.tpahk.cntaiping.com> from the Effective Date. Please note that this website has not been reviewed by the SFC.

3. Consequences of changes

The Fund and the Sub-Fund will be managed in accordance with its revised investment policy incorporating the changes above. There will be no other change to the operation and/or manner in which the Fund and the Sub-Fund is being managed. There is (a) no change in investment objective or feature save as disclosed above; and (b) no change or increase in the overall risk profile of the Fund and the Sub-Fund. The above changes will not materially prejudice the unitholders of the Fund and the Sub-Fund.

The above changes will not result in (a) any increment in the current and maximum management fees and trustee fees payable by the Fund and the Sub-Fund; or (b) any additional type of fee being payable by the Unitholders; or (c) any change in the dealing procedures of the Fund and the Sub-Fund; or (d) any change in fee level or costs in managing the Fund and the Sub-Fund. There are no additional costs and/or expenses to be incurred in connection with the above changes. The rights or interests of the existing Unitholders would not be materially prejudiced.

However, if, as a consequence of the above changes, you wish to redeem your Units in the Sub-Fund, you may do so free of redemption fee during the waiver period between [date of this letter] and the Effective Date. For further details in relation to the procedures for redemption of Units, please refer to the section headed "Redemption of Units" in the Explanatory Memorandum.

The Manager accepts responsibility for the information contained in this Notice as being accurate as at the date of publication.

Thank you for your continued support. If you have any questions relating to the above, please contact us by phone at (852) 2864 1900 or by post to Unit 1-2 19/F, 18 King Wah Road, Hong Kong.

Taiping Assets Management (HK) Company Limited
太平資產管理（香港）有限公司

28 February 2022