

Interim Report

**TAIPING INVESTMENT FUND - TAIPING GREATER
CHINA NEW MOMENTUM EQUITY FUND**

For the period 1 January 2017 - 30 June 2017

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

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TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

MANAGEMENT AND ADMINISTRATION

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Manager

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TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

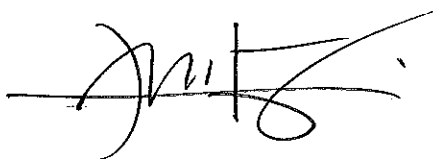
In the first half of 2017, we saw strong rally in the equity market. At the beginning of this year, Hong Kong equity market started with strong rebound which was led by improving PPI which provided investors better outlook for earnings recovery. Also concern of RMB depreciation declined, market sentiment improved. Steady leading indicators of macro economy and strong earnings result of leading companies in 1st quarter drove the index higher after April. As a result, our benchmark (MSCI Zhong Hua Index) closed at 2-year high by the end of June.

Performance Review

The Sub-fund recorded positive return of 0.81% in first six months, compared to the Benchmark of MSCI Zhong Hua Index rose by 23.3%(by HKD). The poor relative performance was mainly attributable to sector allocation and stock selection in information technology sector and cyclical sectors. In the early stage of June we changed our team structure and investment strategy. We focusing more on leading companies with better earnings outlook. The deterioration of relative performance has stopped in mid-June.

Market outlook

After the rally of market in the first half of 2017, current valuations of Hong Kong stock market and ADR almost priced in the expectation of earnings recovery. Further upside need strong catalysts in coming months. The major risk is from global market as some central banks from major economy indicate that they will unwind their balance sheets. Due to expectation of change of liquidity, market may more volatile in 2nd half. As such, we are more selective on stock pick and conservative sector allocation.



Taiping Assets Management (HK) Company Limited
15 August 2017

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 30 June 2017

	(Unaudited) As at 30 June 2017 HK\$	(Audited) As at 31 December 2016 HK\$
ASSETS		
Financial assets at fair value through profit or loss	352,453,677	273,879,925
Cash and bank balances	6,586,990	239,695,694
Dividend receivables	2,095,769	-
Amounts due from brokers	37,322,823	-
Other receivables	14,773	14,746
TOTAL ASSETS	<u>398,474,032</u>	<u>513,590,365</u>
LIABILITIES		
Amounts due to brokers	(24,723,745)	-
Other payables	(1,032,485)	(1,627,011)
TOTAL LIABILITIES	<u>(25,756,230)</u>	<u>(1,627,011)</u>
EQUITY		
NET ASSET VALUE ATTRIBUTABLE TO UNITHOLDERS	<u>372,717,802</u>	<u>511,963,354</u>
TOTAL LIABILITIES AND EQUITY	<u>398,474,032</u>	<u>513,590,365</u>
NUMBER OF UNITS IN ISSUE		
- Class B Units	<u>4,449,098</u>	<u>6,160,509</u>
NET ASSET VALUE PER UNIT		
- Class B Units	<u>83.77</u>	<u>83.10</u>

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2017

	Holdings	Fair value HK\$	% of Net Assets
<u>LISTED EQUITY SECURITIES</u>			
<i>Hong Kong</i>			
AAC TECHNOLOGIES HLDGS INC	50,000	4,880,000	1.31
AIA GROUP LTD	400,000	22,820,000	6.12
AIR CHINA LTD-H	284,000	2,286,200	0.61
BBMG CORP-H	1,800,000	7,092,000	1.90
BOC HONG KONG (HLDGS) LTD	330,000	12,325,500	3.31
CHINA ANIMAL HEALTHCARE LTD	3,568,000	-	-
CHINA GAS HLDGS LTD	660,000	10,401,600	2.79
CHINA MERCHANTS BANK CO LTD-H	280,000	6,594,000	1.77
CHINA MOBILE LTD	170,000	14,084,500	3.78
CHINA PACIFIC INSURANCE (GROUP) CO-H	230,000	7,337,000	1.97
CHINA PETROLEUM & CHEMICAL CORP-H	2,300,000	14,007,000	3.76
CHINA UNICOM (HONG KONG) LTD	1,300,000	15,080,000	4.05
CHINA ZHENG TONG AUTO SERVICES HLDGS LTD	500,000	3,125,000	0.84
CITIC SECURITIES CO LTD-H	280,000	4,519,200	1.21
CK INFRASTRUCTURE HLDGS LTD	60,000	3,936,000	1.06
DATANG INTL POWER GENERATION CO LTD-H	3,000,000	7,470,000	2.00
GREAT WALL MOTOR CO LTD-H	680,000	6,555,200	1.76
HONG KONG EXCHANGES & CLEARING LTD	50,000	10,090,000	2.71
HSBC HLDGS PLC	280,000	20,342,000	5.46
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	4,439,000	23,393,530	6.27
LINK REAL ESTATE INVESTMENT TRUST	230,000	13,662,000	3.67
NEW CHINA LIFE INSURANCE CO LTD-H	180,000	7,146,000	1.92
PING AN INSURANCE GROUP CO OF CHINA LTD-H	230,000	11,833,500	3.17
SANDS CHINA LTD	218,000	7,793,500	2.09
SHANGHAI ELECTRIC GROUP CO LTD-H	1,800,000	6,750,000	1.81
SHIMAO PROPERTY HLDGS LTD	330,000	4,408,800	1.18
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	60,000	4,200,000	1.13
TENCENT HLDGS LTD	130,000	36,296,000	9.74
		<u>288,428,530</u>	<u>77.39</u>
<i>United States of America</i>			
ALIBABA GROUP HLDG LTD-SPONSORED ADR	18,800	20,675,880	5.54
AMAZON.COM INC	2,500	18,889,068	5.07
NETEASE INC-ADR	6,000	14,079,224	3.78
TAL EDUCATION GROUP-ADR	8,000	7,637,428	2.05
WEIBO CORP-SPONSORED ADR	5,288	2,743,546	0.74
		<u>64,025,147</u>	<u>17.18</u>
Total investments, at fair value		<u>352,453,677</u>	<u>94.57</u>
Total investments, at cost		<u>362,142,498</u>	

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (Unaudited)

	At 1 January 2017	Additions	Disposals	At 30 June 2017
<u>LISTED EQUITY SECURITIES</u>				
AAC TECHNOLOGIES HLDGS INC	-	50,000	-	50,000
AGRICULTURAL BANK OF CHINA LTD-H	-	5,000,000	(5,000,000)	-
AIA GROUP LTD	800,000	-	(400,000)	400,000
AIR CHINA LTD-H	-	284,000	-	284,000
ALIBABA GROUP HLDG LTD-SPONSORED ADR	-	18,800	-	18,800
AMAZON.COM INC	-	2,500	-	2,500
ASM PACIFIC TECHNOLOGY LTD	-	80,000	(80,000)	-
BANK OF CHINA LTD-H	-	9,000,000	(9,000,000)	-
BBMG CORP-H	-	1,800,000	-	1,800,000
BOC HONG KONG (HLDGS) LTD	-	600,000	(270,000)	330,000
CHEUNG KONG PROPERTY HLDGS LTD	530,000	-	(530,000)	-
CHINA AIRCRAFT LEASING GROUP HLDGS LTD	76,500	1,923,500	(2,000,000)	-
CHINA ANIMAL HEALTHCARE LTD	3,568,000	-	-	3,568,000
CHINA CONSTRUCTION BANK CORP-H	-	10,800,000	(10,800,000)	-
CHINA GAS HLDGS LTD	-	660,000	-	660,000
CHINA LIFE INSURANCE CO LTD-H	400,000	930,000	(1,330,000)	-
CHINA MERCHANTS BANK CO LTD-H	-	280,000	-	280,000
CHINA MOBILE LTD	-	170,000	-	170,000
CHINA PACIFIC INSURANCE (GROUP) CO-H	-	230,000	-	230,000
CHINA PETROLEUM & CHEMICAL CORP-H	-	2,300,000	-	2,300,000
CHINA UNICOM (HONG KONG) LTD	-	1,300,000	-	1,300,000
CHINA ZHENG TONG AUTO SERVICES HLDGS LTD	-	500,000	-	500,000
CHINASOFT INTL LTD	-	3,000,000	(3,000,000)	-
CITIC SECURITIES CO LTD-H	-	280,000	-	280,000
CK INFRASTRUCTURE HLDGS LTD	200,000	60,000	(200,000)	60,000
CLP HLDGS LTD	100,000	-	(100,000)	-
CSSC OFFSHORE AND MARINE ENGINEERING GROUP CO LTD-H	-	300,000	(300,000)	-
DATANG INTL POWER GENERATION CO LTD-H	-	3,000,000	-	3,000,000
GALAXY ENTERTAINMENT GROUP LTD	-	130,000	(130,000)	-
GREAT WALL MOTOR CO LTD-H	-	1,000,000	(320,000)	680,000
HANG SENG H-SHARE INDEX ETF	380,000	-	(380,000)	-
HONG KONG EXCHANGES & CLEARING LTD	200,000	60,000	(210,000)	50,000
HSBC HLDGS PLC	650,000	1,320,000	(1,690,000)	280,000
HUANENG POWER INTL INC-H	-	1,000,000	(1,000,000)	-
IMAX CHINA HLDG INC	13,600	-	(13,600)	-
INDUSTRIAL & COMMERCIAL BK OF CHINA-H	-	17,139,000	(12,700,000)	4,439,000
LINK REAL ESTATE INVESTMENT TRUST	-	430,000	(200,000)	230,000
NETEASE INC-ADR	-	6,000	-	6,000
NEW CHINA LIFE INSURANCE CO LTD-H	-	220,000	(40,000)	180,000
PETROCHINA CO LTD-H	-	6,600,000	(6,600,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	-	230,000	-	230,000
SANDS CHINA LTD	-	330,000	(112,000)	218,000
SEMICONDUCTOR MANUFACTURING INTL CORP	4,048,000	-	(4,048,000)	-
SHANGHAI ELECTRIC GROUP CO LTD-H	-	1,800,000	-	1,800,000
SHENWAN HONGYUAN HK LTD	1,100,000	-	(1,100,000)	-
SHENZHOU INTL GROUP HLDGS LTD	-	160,000	(160,000)	-
SHIMAO PROPERTY HLDGS LTD	-	330,000	-	330,000
SINO LAND CO LTD	-	1,000,000	(1,000,000)	-
SINOPHARM GROUP CO LTD-H	-	300,000	(300,000)	-
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	60,000	-	60,000
TAL EDUCATION GROUP-ADR	-	8,000	-	8,000
TENCENT HLDGS LTD	100,000	210,000	(180,000)	130,000
TONGDA GROUP HLDGS LTD	-	6,000,000	(6,000,000)	-
TRACKER FUND OF HONG KONG	-	700,000	(700,000)	-
WEIBO CORP-SPONSORED ADR	-	5,288	-	5,288
ZHAOJIN MINING INDUSTRY CO LTD-H	-	2,200,000	(2,200,000)	-

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

PERFORMANCE TABLE (Unaudited)

30 June 2017

Net Asset Value

	Total net asset value HK\$	Net asset value per Class B Unit HK\$
As at 30 June 2017	372,717,802	83.77
As at 31 December 2016	511,963,354	83.10
As at 31 December 2015	661,623,756	90.64

Highest and lowest net asset value per unit

Financial year/Period	Class A Units		Class B Units	
	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$	Highest net asset value per unit HK\$	Lowest net asset value per unit HK\$
Period ended 30 June 2017	-	-	86.94	82.81
Year ended 31 December 2016	-	-	89.51	77.52
Year ended 31 December 2015	-	-	127.22	88.24
Year ended 31 December 2014	98.64*	79.72*	104.85	99.44
Year ended 31 December 2013	94.51	75.25	-	-
Year ended 31 December 2012	101.47	82.2	-	-
Year ended 31 December 2011	119.38	80.23	-	-
Year ended 31 December 2010	122.57	95.59	-	-
Period ended 31 December 2009	127.45	99.61	-	-

* All Class A units have been converted to Class B units by unitholders by 24 December 2014.