

## Taiping Greater China New Momentum Equity Fund

October 2019

(the Sub-Fund of Taiping Investment Fund)

(Data as of 30 September 2019)

### Key features and Risks :

- The Fund seeks to invest in listed securities in the Greater China region (which includes listed securities in the PRC, the HKSAR and Macau. It may also invest in financial derivative instruments for hedging purposes only.
- Investing in a relatively concentrated geographical region may result in greater volatility than portfolios which comprise broad-based global investments.
- Investing in emerging markets may involve a greater risk of loss than investing in developed markets due to, among other factors, greater political, tax, economic, foreign exchange, liquidity and regulatory risks.
- Risks associated with investments in financial derivative instruments for hedging purposes include credit risk, liquidity risk and counterparty credit risk.
- Risks and uncertainties associated with changes in current PRC tax laws, regulations and practice (that may have retrospective effect).
- Investing in securities denominated in a wide range of currencies other than HK Dollars may be exposed to a foreign exchange/currency risk.
- Risk associated with investment in A Shares via the Stock Connect may involve additional risks. Please refer to the Explanatory Memorandum of the Fund for further information relating to the Stock Connect. Further, the investments through Northbound trading under the Stock Connect will not be covered by Hong Kong's Investor Compensation Fund.
- An investment in the Fund may involve a high degree of risk and may not be suitable for all investors.
- Past performance is not indicative of future results. The value of the Units in the Fund and the income accruing to the Fund, if any, may fall or rise. Investors may not get back the full amount invested.
- By using the information contained herein, you are deemed to assume all risks associated with the use of those information. Taiping Assets Management (HK) Company Limited shall not be liable for any special, incidental, or consequential damages, including without limitation, lost revenues or lost profits, resulting from the use or misuse of the information contained herein.
- Notwithstanding that the investment decision is yours to make, you should not invest in the Fund unless the intermediary who has offered you the Fund has advised you that the Fund is suitable for you and has explained why the investment in the Fund will be consistent with your investment objectives.
- You should not make investment decision on the basis of this document alone. Please read the Explanatory Memorandum of the Fund for details and risk factors.

### Fund Objective

• Taiping Greater China New Momentum Equity Fund is a SFC authorized fund<sup>8</sup>, primarily focusing on our investment niche of the Greater China region, comprising PRC, Hong Kong and Macau markets. The Fund seeks to provide investors with medium to long term capital appreciation.

• Effective from 30 April 2016, the jurisdiction of the Fund (place of domicile) has been changed from Cayman Islands to Hong Kong.

• Effective from 30 June 2016, the Fund may invest less than 30% of its non-cash assets in listed equity securities of companies which may have no connection with the Greater China region. Such equity securities are listed on exchanges worldwide including but not limited to the United States. The Fund may also invest up to 20% of its non-cash assets in A Shares via the Stock Connect.

### Portfolio Information

<b>Investment Manager</b>	<b>Yang Dong</b>		
<b>Fund Manager</b>	<b>Taiping Assets Management (HK) Company Limited</b>		
<b>Launch Date</b>	<b>26 March 2009</b>		
<b>Fund Size (m)</b>	<b>HKD</b>	<b>349.36</b>	
<b>NAV per share</b>	<b>HKD</b>	<b>74.638044</b>	
	<b>*Ex-dividend</b>		
<b>Current prices</b>	<b>Bid</b>	<b>HKD</b>	<b>74.63</b>
	<b>Offer</b>	<b>HKD</b>	<b>74.64</b>
<b>Subscription fee</b>	<b>Up to 5%</b>		
<b>Redemption fee</b>	<b>Up to 4%</b>		
<b>Management fee</b>	<b>1.5% p.a.</b>		

### Portfolio Analysis

By Region	
Hong Kong	79%
USA	12%
Cash and Others	9%

### By Sector

Financials	35%
Consumer Discretionary	12%
Communication Services	11%
Cash	9%
Utilities	7%
Real Estate	6%
Industrials	6%
Energy	6%
Others	5%
Health Care	3%

### Fund Manager's Report

#### Market Review

The benchmark MSCI Zhonghua Index decreased by 0.5% in this Aug, while the fund's NAV went up by 0.6%. Including the dividend payment of HK\$ 4.3 on May 28th, the NAV of the fund went up by 6.5% year to date, which outperformed the benchmark index by 2.1 percent points. Mainly affected by the HK demonstration incidence, and Sino-US trade tensions, the global stock market fluctuated in Sep, with Hang Seng Index, Shanghai Shenzhen CSI 300 Index and S&P 500 Index increased by 1.4%, 0.5% and 1.7% respectively in HKD. At the sector level of MSCI Zhonghua Index, Information Technology, Energy, Materials and Real Estate gained and outperformed, while Health Care, Consumer Discretionary, Consumer Staples, and Utilities recorded losses and underperformed.

#### Market Outlook

Sino-US trade disputes are the biggest uncertainty of the current economy and market. China is expected to guard against the potential double dip in economy brought by trade disputes. If the trade environment or China macroeconomics deteriorates, flexible fiscal and monetary policies including further tax cuts and monetary easing might alleviate the pressure to some extent. Despite of current trade and economic uncertainties, we are still optimistic about the long-term growth prospects of Chinese economy. We regard current valuation is attractive and has already factored in much negative factors. We have raised stock positions and will maintain major positions on quality stocks and high-yield plays. We will focus on investment opportunities in the Consumers, Services and China Financials, and pay attention to the trading opportunities in Information Technology, Aviation, Auto and China Brokerage sectors.

#### Fund Performance



#### Cumulative Performance

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	15 Dec 2014
Fund	0.56%	-6.71%	-7.37%	-4.49%	-1.47%	-17.46%	-15.40%

#### Calendar Year Performance

	2019YTD	2018	2017	2016	2015	2014
Fund	6.48%	-14.09%	12.71%	-8.31%	-13.55%	-6.85%

# On 15 December 2014, the Fund Manager was changed to Taiping Assets Management (HK) Company Limited and investment strategy was also changed. Performance before this date was achieved under circumstances that no longer apply.

#### Top Five Holdings

Holding	Sector	Exchange	%
Alibaba Group Holding Ltd	Consumer Discretionary	USA	9.08%
Tencent Holdings Ltd	Communication Services	Hong Kong	6.64%
China Construction Bank Corp	Financials	Hong Kong	5.99%
China Merchants Bank Co Ltd	Financials	Hong Kong	4.67%
Industrial & Commercial Bank o	Financials	Hong Kong	3.90%

• Source: Taiping Assets Management (HK) Company Limited. Performance of the Fund is calculated on NAV-to-NAV basis in base currency, and assumes dividend reinvested and net of all fees. The Fund Manager may in its absolute discretion make distributions, which will be derived solely from the net income (after deduction of fees and expenses) of the Fund. Investors should note that the NAV of the Fund will be adjusted to reflect such distribution. The Fund Manager will review the distribution policy of the Fund in its absolute discretion. Please refer to the explanatory memorandum of the Fund for details. Investors should note that the figures as contained herein are for reference only and do not represent the performance of the Fund, and there is no guarantee that distributions will be made, and if distribution is made, the amount being distributed. • Benchmark Source: MSCI. Neither MSCI nor any other party involved in or related to compiling, computing or creating the MSCI data makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the MSCI data is permitted without MSCI's express written consent. • Charges listed under "Portfolio Information" were by no means exhaustive and other fees and charges may apply in relation to investment in the Fund. Investors should refer to the Explanatory Memorandum of the Fund for more details on all fees and charges payable. • This report has not been reviewed by the Securities and Futures Commission. • Information in this report has been obtained from sources believed to be reliable but Taiping Assets Management (HK) Company Limited makes no warranties, express or implied, or representations, and does not guarantee the accuracy or completeness of the information provided by third parties. Taiping Assets Management (HK) Company Limited assumes no liability or responsibility for any error or omissions in the information contained herein. Investors should seek independent financial and/or professional advice if they have any doubt about the Fund. • Issued by Taiping Assets Management (HK) Company Limited.