

Taiping Greater China New Momentum Equity Fund

August 2020

(the Sub-Fund of Taiping Investment Fund)

(Data as of 31 July 2020)

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[†], 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

Investment Manager	Yang Dong		
Fund Manager	Taiping Assets Management (HK) Company Limited		
Launch Date	26 March 2009		
Fund Size (m)	HKD	391.28	
NAV per share	HKD	83.593151	
	*Ex-dividend		
Current prices	Bid	HKD	83.59
	Offer	HKD	83.60
Subscription fee	Up to 5%		
Redemption fee	Up to 4%		
Management fee	1.5% p.a.		

Portfolio Analysis
By Region

Hong Kong	87%
USA	11%
Cash and Others	2%

By Sector

Consumer Discretionary	23%
Financials	20%
Communication Services	18%
Real Estate	7%
Others	5%
Information Technology	5%
Health Care	5%
Energy	4%
Materials	4%
Industrials	4%
Utilities	3%
Cash	2%

Fund Manager's Report
Market Review

The benchmark MSCI Zhonghua Index surged by 7.3% in July and the fund's NAV went up by 6.7% which underperformed the benchmark index by 0.6% in July. The fund's NAV slightly rose by 0.5% year to date, which underperformed the benchmark index by 6.1%. The better-than-expected economic data in Mainland China and sufficient global liquidity have dampened the market's concerns about the increasing global coronavirus cases. Fundamentals of Mainland China economy remain stable. Affected by the third-time local outbreak of the coronavirus spread, the Hong Kong market continued to be under pressure and rose slightly. The global market rebounded in July, with the Hang Seng Index, CSI 300 Index and the S&P 500 Index rose by 0.7%, 14.2% and 5.5% respectively in Hong Kong dollar. At sector level of MSCI Zhonghua Index, except for Diversified Financial, all other sectors obtained positive return. Consumer Discretionary and Communication Services sectors received outstanding gains.

Market Outlook

With increasing external disturbance, market will experience short-term volatility. While the US election is approaching, the uncertainty of Sino-US relations is expected to continue to bring pressure to the Hong Kong market. However, based on the steady improvement of the mainland economy and sufficient liquidity, we are cautiously optimistic about the market outlook in a mid-term and expect the market to rebound amidst volatility. The outbreak of the coronavirus will not change the long-term growth trend of China's economy. China's growth recovery is still on process and China's epidemic prevention control has led the world by a large margin. The policy of promoting the "double cycle" is also being implemented. We will continue to adjust and optimize the fund's exposure by adhering to value investment. We will maintain major positions on quality stocks and growth stocks. We will focus on investment opportunities in Consumer Discretionary, Consumer Staples, Health Care and Technology sectors, and pay attention to the trading opportunities in other sectors.

Fund Performance

Cumulative Performance

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years
Fund	6.73%	10.14%	7.77%	5.09%	6.82%	-7.84%

Calendar Year Performance

	2020YTD	2019	2018	2017	2016	2015
Fund	0.45%	18.72%	-14.09%	12.71%	-8.31%	-13.55%

Top Five Holdings

Holding	Sector	Exchange	%
Alibaba Group Holding Ltd	Consumer Discretionary	Hong Kong	9.59%
Tencent Holdings Ltd	Communication Services	Hong Kong	9.49%
China Merchants Bank Co Ltd	Financials	Hong Kong	4.08%
Meltuan Dianping	Consumer Discretionary	Hong Kong	3.96%
CSOP FTSE China A50 ETF	Others	Hong Kong	3.93%

• 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 dividend 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.

[†] The SFC authorization is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance.