

**Taiping Greater China New Momentum Equity Fund**

July 2020

(the Sub-Fund of Taiping Investment Fund)

(Data as of 30 June 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<sup>#</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>366.60</b>
<b>NAV per share</b>	<b>HKD</b>	<b>78.322027</b>
	<b>*Ex-dividend</b>	
<b>Current prices</b>	<b>Bid</b>	<b>HKD 78.32</b>
	<b>Offer</b>	<b>HKD 78.33</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	
<b>Hong Kong</b>	<b>82%</b>
<b>USA</b>	<b>11%</b>
<b>Cash and Others</b>	<b>7%</b>

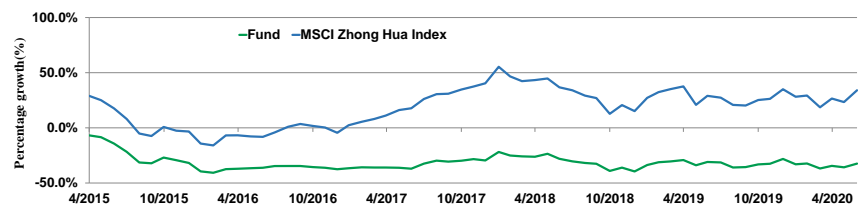
By Sector	
<b>Financials</b>	<b>22%</b>
<b>Communication Services</b>	<b>14%</b>
<b>Consumer Discretionary</b>	<b>14%</b>
<b>Cash</b>	<b>7%</b>
<b>Real Estate</b>	<b>7%</b>
<b>Utilities</b>	<b>7%</b>
<b>Industrials</b>	<b>6%</b>
<b>Energy</b>	<b>6%</b>
<b>Health Care</b>	<b>5%</b>
<b>Others</b>	<b>5%</b>
<b>Information Technology</b>	<b>5%</b>
<b>Materials</b>	<b>2%</b>

**Fund Manager's Report**
**Market Review**

The benchmark MSCI Zhonghua Index surged by 8.6% in June and the fund's NAV went up by 5.3% which underperformed the benchmark index by 3.3% in June. The fund's NAV retreated by 5.9% year to date, which underperformed the benchmark index by 5.2%. The global economy continues to be under pressure from the impact of the coronavirus while Mainland China economic activity has resumed. The global stock market surged in June, with the Hang Seng Index, CSI 300 Index and the S&P 500 Index rose by 6.4%, 8.7% and 1.8% respectively in Hong Kong dollar. At sector level of MSCI Zhonghua Index, except for Utilities, all other sectors obtained positive return. Consumer Discretionary, Diversified Financial, Health Care and Information Technology sectors received outstanding gains.

**Market Outlook**

The global economy has generally shrunk due to the impact of the coronavirus. PMI of US, Japan and European countries have remained below 50-threshold. But in Mainland China, PMI, industrial value added and retail data all show that the economy has begun to rebound. Manufacturing and service industries have resumed normal production. Some Chinese companies have begun to buy back stocks, showing confidence in their business and stock prices. The outbreak of the coronavirus will not change the long-term growth trend of China's economy. After a short term impact, the Chinese economy is now returning to the growth track. 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 high-yield plays. We will focus on investment opportunities in Consumer Discretionary, Consumer Staples, Internet and China Banking 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
<b>Fund</b>	<b>5.26%</b>	<b>7.00%</b>	<b>-5.88%</b>	<b>-2.11%</b>	<b>7.34%</b>	<b>-21.14%</b>

**Calendar Year Performance**

	2020 YTD	2019	2018	2017	2016	2015
<b>Fund</b>	<b>-5.88%</b>	<b>18.72%</b>	<b>-14.09%</b>	<b>12.71%</b>	<b>-8.31%</b>	<b>-13.55%</b>

**Top Five Holdings**

Holding	Sector	Exchange	%
Tencent Holdings Ltd	Communication Services	Hong Kong	10.24%
CSOP FTSE China A50 ETF	Others	Hong Kong	4.73%
China Merchants Bank Co Ltd	Financials	Hong Kong	4.30%
ZTO Express Cayman Inc	Industrials	USA	3.73%
China Resources Power Holdings	Utilities	Hong Kong	3.64%

• 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.

<sup>#</sup> 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.