

Interim Report

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

For the period from 1 January 2019 to 30 June 2019

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

Directors of the Manager

Li Hao
Wang Hegian
Wang Xiangyang

Manager

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Auditors

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Custodian

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TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

REPORT OF THE MANAGER TO THE UNITHOLDERS

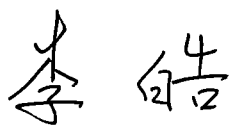
Market review and outlook

Hong Kong stock market is quite volatile in the first half of 2019. Hang Seng Index rebounded by nearly 15% from Jan to April mainly due to rising market risk appetite and Fed's accommodative monetary policy. However, as United States and China failed to reach a trade deal and declared to further hike tariffs on each other in May, Hang Seng Index fell significantly thereafter. By the end of June, Hang Seng Index went up by 10.4% and the Sub-Fund achieved a 14.1% return, outperformed the benchmark MSCI Zhong Hua Index yield of 12.0%.

Performance of the Sub-Fund beat the benchmark index (MSCI Zhong Hua Index) by 2.1 ppts. This is mainly due to successful stock picks and sector allocation. A-share ETFs, Information Technology and China Financials are the major contributors. On May 28 2019, the Sub-Fund declared its second dividend payout of HK\$4.3 per unit.

Going forward, Sino-US trade disputes are the biggest uncertainty of the current economy and market. China needs to guard against the potential double dip in economy brought by the trade disputes. If the trade environment or China macroeconomics deteriorates, flexible fiscal and monetary policies including further tax cuts and monetary easing will alleviate the pressure to some extent, but it is difficult to be fully hedged.

To guard against current unclear trade and economic situation, we may maintain relatively low stock positions. We will maintain our position on quality stocks. We will focus on investment opportunities in Consumers, China Financials and Utilities, and pay attention to the trading opportunities in Information Technology, Aviation, Auto and China Brokerage sectors.



Taiping Assets Management (HK) Company Limited
20 August 2019

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF FINANCIAL POSITION (Unaudited)

As at 30 June 2019

	(Unaudited) As at 30 June 2019 HK\$	(Audited) As at 31 December 2018 HK\$
ASSETS		
Financial assets at fair value through profit or loss	301,137,460	278,521,315
Cash and bank balances	78,677,153	59,283,070
Dividend receivables	3,010,062	-
Amounts due from brokers	6,394,614	17,376,242
Other receivables	18,702	14,824
	<hr/>	<hr/>
TOTAL ASSETS	<u>389,237,991</u>	<u>355,195,451</u>
LIABILITIES		
Amounts due to brokers	(13,779,605)	(3,415,591)
Other payables	(993,525)	(1,135,676)
	<hr/>	<hr/>
TOTAL LIABILITIES	<u>(14,773,130)</u>	<u>(4,551,267)</u>
EQUITY		
NET ASSET ATTRIBUTABLE TO UNITHOLDERS	<u>374,464,861</u>	<u>350,644,184</u>
	<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES	<u>374,464,861</u>	<u>350,644,184</u>
	<hr/>	<hr/>
- Class B Units	4,680,735	4,738,509
	<hr/>	<hr/>
NET ASSET VALUE PER UNIT		
	<hr/>	<hr/>
- Class B Units	80	74

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF COMPREHENSIVE INCOME (Unaudited)

For the period ended 30 June 2019

	2019 HK\$	2018 HK\$
INCOME		
Net unrealized gains/(losses) on financial assets at fair value through profit or loss	22,552,485	(62,578,054)
Net realized gains on financial assets at fair value through profit or loss	26,103,300	18,547,742
Foreign exchange differences, net	(138,063)	(2,978,196)
Dividend income	5,555,922	8,710,853
Interest income	30,393	9,295
	<hr/>	<hr/>
Total income/(loss)	54,104,037	(38,288,360)
EXPENSES		
Management fee	(2,820,537)	(6,043,483)
Transaction fees	(1,324,024)	(5,981,900)
Trustee and administration fee	(266,038)	(566,124)
Legal and Professional Fee	-	(247,960)
Auditors' remuneration	(120,680)	-
Bank charges	(480)	(480)
Other expenses	(61,589)	(121,800)
	<hr/>	<hr/>
Total operating expenses	(4,593,348)	(12,961,747)
Profit or loss before tax	49,510,689	(51,250,107)
Withholding taxes	<hr/> (338,667)	<hr/> (641,747)
	<hr/>	<hr/>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	<u><u>49,172,022</u></u>	<u><u>(51,891,854)</u></u>

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (Unaudited)

For the period ended 30 June 2019

	Number of units	HK\$
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS AT 1 January 2018	4,452,222	416,999,862
Subscription of units	286,287	22,507,424
Redemption of units	-	-
Distributions to unitholders	-	(36,971,248)
Total comprehensive income/(loss) for the period	-	(51,891,854)
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 31 December 2018	<u>4,738,509</u>	<u>350,644,184</u>
Subscription of units	160,995	12,847,398
Redemption of units	(218,769)	(18,763,862)
Distributions to unitholders	-	(19,434,881)
Total comprehensive income/(loss) for the period	-	49,172,022
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS 30 June 2019	<u>4,680,735</u>	<u>374,464,861</u>

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2019

	Holdings	Fair value HK\$	% of Net Assets
LISTED EQUITY SECURITIES			
<i>Hong Kong</i>			
AIR CHINA LTD-H	378,000	2,978,640	0.80%
BYD ELECTRONIC (INTL) CO LTD	235,000	2,622,600	0.70%
CHINA ANIMAL HEALTHCARE LTD	3,568,000	-	0.00%
CHINA CINDA ASSET MANAGEMENT CO LTD-H	4,285,000	7,713,000	2.06%
CHINA CITIC BANK CORP LTD-H	2,819,000	12,544,550	3.35%
CHINA CONSTRUCTION BANK CORP-H	3,002,000	20,203,460	5.39%
CHINA EDUCATION GROUP HLDGS LTD	489,000	5,965,800	1.59%
CHINA INTL CAPITAL CORP LTD-H	142,400	2,244,224	0.60%
CHINA LIFE INSURANCE CO LTD-H	268,000	5,156,320	1.38%
CHINA LITERATURE LTD	302,800	11,143,040	2.98%
CHINA MERCHANTS BANK CO LTD-H	282,500	11,003,375	2.94%
CHINA OVERSEAS LAND & INVESTMENT LTD	216,000	6,220,800	1.66%
CHINA PETROLEUM & CHEMICAL CORP-H	2,024,000	10,747,440	2.87%
CHINA POWER INTL DEVELOPMENT LTD	4,563,000	8,715,330	2.33%
CHINA RESOURCES POWER HLDGS CO	1,156,000	13,178,400	3.52%
CHINA SHENHUA ENERGY CO LTD-H	399,000	6,527,640	1.74%
CHINA SOUTHERN AIRLINES CO LTD-H	2,034,000	11,064,960	2.95%
CHINA VANKE CO LTD-H	233,000	6,826,900	1.82%
CHINAAMC CSI 300 INDEX ETF	114,800	5,114,340	1.37%
CSOP FTSE CHINA A50 ETF-HKD	434,600	6,510,308	1.74%
GEELY AUTOMOBILE HLDGS LTD	154,000	2,057,440	0.55%
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-H	120,000	4,230,000	1.13%
GUOTAI JUNAN INTL HLDGS LTD	4,577,000	6,178,950	1.65%
HSBC HLDGS PLC	84,800	5,495,040	1.47%
HUATAI SECURITIES CO LTD-H	532,800	7,160,832	1.91%
ISHARES FTSE A50 CHINA INDEX ETF	519,700	7,764,318	2.07%
LONKING HLDGS LTD	3,235,000	6,728,800	1.80%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	53,000	4,971,400	1.33%
SEMICONDUCTOR MANUFACTURING INTL CORP	700,000	6,090,000	1.63%
SHANGHAI JIN JIANG INTL HOTELS (GROUP) CO LTD-H	2,462,000	3,914,580	1.05%
SINO BIOPHARMACEUTICAL LTD	1,674,000	13,375,260	3.56%
SKYWORTH DIGITAL HLDGS LTD	1,528,000	3,208,800	0.86%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	46,300	3,736,410	1.00%
TENCENT HLDGS LTD	70,300	24,787,780	6.61%
WH GROUP LTD	1,074,500	8,510,040	2.27%
YUEXIU PROPERTY CO LTD	3,290,000	5,823,300	1.56%
		<u>270,514,077</u>	<u>72.24%</u>
<i>United States of America</i>			
ALIBABA GROUP HLDG LTD-SPONSORED ADR	20,186	26,711,507	7.14%
YY INC-ADR	7,188	3,911,876	1.04%
		<u>30,623,383</u>	<u>8.18%</u>
Total investments, at fair value		<u>301,137,460</u>	<u>80.42%</u>
Total investments, at cost		<u>332,006,442</u>	

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (Unaudited)

	At 1 January 2019	Additions	Disposals	At 30 June 2019
LISTED EQUITY SECURITIES				
AIA GROUP LTD	201,600	-	(201,600)	-
AIR CHINA LTD-H	-	378,000	-	378,000
ALIBABA GROUP HLDG LTD-SPONSORED ADR	29,296	4,928	(14,038)	20,186
ALIBABA PICTURES GROUP LTD	2,220,000	1,000,000	(3,220,000)	-
APPLE INC	-	11,955	(11,955)	-
BRILLIANCE CHINA AUTOMOTIVE HLDGS LTD	-	1,324,000	(1,324,000)	-
BYD ELECTRONIC (INTL) CO LTD	-	988,500	(753,500)	235,000
CHINA ANIMAL HEALTHCARE LTD	3,568,000	-	-	3,568,000
CHINA CINDA ASSET MANAGEMENT CO LTD-H	-	4,285,000	-	4,285,000
CHINA CITIC BANK CORP LTD-H	-	2,819,000	-	2,819,000
CHINA CONSTRUCTION BANK CORP-H	3,002,000	-	-	3,002,000
CHINA EDUCATION GROUP HLDGS LTD	-	489,000	-	489,000
CHINA GALAXY SECURITIES CO LTD-H	-	1,483,000	(1,483,000)	-
CHINA INTL CAPITAL CORP LTD-H	-	142,400	-	142,400
CHINA LIFE INSURANCE CO LTD-H	-	268,000	-	268,000
CHINA LITERATURE LTD	-	302,800	-	302,800
CHINA MAPLE LEAF EDUCATIONAL SYSTEMS LTD	2,304,000	534,000	(2,838,000)	-
CHINA MENGNIU DAIRY CO LTD	353,000	-	(353,000)	-
CHINA MERCHANTS BANK CO LTD-H	706,000	344,000	(767,500)	282,500
CHINA MOBILE LTD	61,000	-	(61,000)	-
CHINA OVERSEAS LAND & INVESTMENT LTD	144,000	72,000	-	216,000
CHINA PETROLEUM & CHEMICAL CORP-H	452,000	2,024,000	(452,000)	2,024,000
CHINA POWER INTL DEVELOPMENT LTD	2,809,000	1,754,000	-	4,563,000
CHINA RESOURCES POWER HLDGS CO	-	1,156,000	-	1,156,000
CHINA SHENHUA ENERGY CO LTD-H	-	399,000	-	399,000
CHINA SOUTHERN AIRLINES CO LTD-H	1,116,000	2,702,000	(1,784,000)	2,034,000
CHINA VANKE CO LTD-H	-	233,000	(460,400)	233,000
CHINAAMC CSI 300 INDEX ETF	290,400	430,800	(606,400)	114,800
CITIC SECURITIES CO LTD-H	204,000	163,000	(367,000)	-
CNOOC LTD	296,000	-	(296,000)	-
COUNTRY GARDEN SERVICES HLDGS CO LTD	563,000	646,000	(1,209,000)	-
CSOP FTSE CHINA A50 ETF-HKD	953,200	720,400	(1,239,000)	434,600
GEELY AUTOMOBILE HLDGS LTD	-	307,000	(153,000)	154,000
GF SECURITIES CO LTD-H	-	611,200	(611,200)	-
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	268,000	-	(268,000)	-
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HLDGS CO LTD-H	40,000	120,000	(40,000)	120,000
GUANGZHOU R&F PROPERTIES CO LTD-H	-	234,400	(234,400)	-
GUOTAI JUNAN INTL HLDGS LTD	3,357,000	2,513,000	(1,293,000)	4,577,000
HSBC HLDGS PLC	153,600	228,000	(296,800)	84,800
HUANENG POWER INTL INC-H	940,000	960,000	(1,900,000)	-
HUATAI SECURITIES CO LTD-H	-	532,800	-	532,800
ISHARES FTSE A50 CHINA INDEX ETF	-	519,700	-	519,700
LENOVO GROUP LTD	-	672,000	(672,000)	-
LONKING HLDGS LTD	-	3,235,000	-	3,235,000
MABPHARM LTD	-	1,956,000	(1,956,000)	-
NEW CHINA LIFE INSURANCE CO LTD-H	109,100	146,000	(255,100)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	208,000	85,500	(240,500)	53,000
SEMICONDUCTOR MANUFACTURING INTL CORP	-	1,137,000	(437,000)	700,000
SHANGHAI JIN JIANG INTL HOTELS (GROUP) CO LTD-H	-	2,462,000	-	2,462,000
SINO BIOPHARMACEUTICAL LTD	2,691,000	1,349,000	(2,366,000)	1,674,000
SKYWORTH DIGITAL HLDGS LTD	-	3,870,000	(2,342,000)	1,528,000
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	136,600	46,300	(136,600)	46,300

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

STATEMENT OF MOVEMENT IN PORTFOLIO HOLDINGS (Unaudited) Continued

	At 1 January 2019	Additions	Disposals	At 30 June 2019
<u>LISTED EQUITY SECURITIES</u>				
TAL EDUCATION GROUP-ADR	32,737	-	(32,737)	-
TENCENT HLDGS LTD	104,000	10,500	(44,200)	70,300
TENCENT MUSIC ENTERTAINMENT GROUP-ADR	26	-	(26)	-
TRACKER FUND OF HONG KONG	-	230,000	(230,000)	-
WH GROUP LTD	638,000	1,074,500	(638,000)	1,074,500
XIAOMI CORP-CLASS B SHARE	-	561,200	(561,200)	-
YUEXIU PROPERTY CO LTD	-	3,290,000	-	3,290,000
YY INC-ADR	-	7,188	-	7,188
ZHUZHOU CRRC TIMES ELECTRIC CO LTD-H	-	246,000	(246,000)	-

TAIPING INVESTMENT FUND - TAIPING GREATER CHINA NEW MOMENTUM EQUITY FUND

PERFORMANCE TABLE (Unaudited)

As at 30 June 2019

Net Asset Value

	Total net asset value HK\$	Net asset value per Class B Unit HK\$
As at 30 June 2019	374,464,861	80.01
As at 31 December 2018	350,644,184	74.00
As at 30 June 2018	391,754,424	87.99

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 2019	-	-	88.21	71.49
Year ended 31 December 2018	-	-	105.50	72.60
Year ended 31 December 2017	-	-	100.32	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	82.20	-	-
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.