

PRODUCT KEY FACTS



中国平安资产管理(香港)
PING AN OF CHINA ASSET MANAGEMENT (HONG KONG)

**PING AN OF CHINA SELECT INVESTMENT
FUND SERIES**

PING AN OF CHINA SIF – RMB BOND FUND

30 April 2018

- ***This statement provides you with key information about Ping An of China SIF - RMB Bond Fund (the “Sub-Fund”).***
- ***This statement is a part of the offering document and must be read in conjunction with the Explanatory Memorandum of Ping An of China Select Investment Fund Series.***
- ***You should not invest in this product based on this statement alone.***

Quick facts

Manager:	Ping An of China Asset Management (Hong Kong) Co. Ltd.
Trustee:	BOCI-Prudential Trustee Limited
Custodian:	Bank of China (Hong Kong) Limited
Dealing frequency:	Daily
Base currency:	RMB
Dividend policy:	Currently on a semi-annual basis (i.e. June and December each year in the class currency of the relevant class), subject to the Manager’s discretion. Dividends may be paid out of capital which will result in an immediate reduction of the net asset value per Unit.
Ongoing charges over a year*:	Class A: 1.36%
Financial year end of this Sub-Fund:	30 June
Minimum investment:	Class A RMB: RMB 10,000 Class A HKD: HKD 10,000 Class A USD: USD 1,000
Minimum holding:	Aggregate minimum value of Units held: Class A RMB: RMB 10,000 Class A HKD: HKD 10,000 Class A USD: USD 1,000
Minimum redemption:	Aggregate minimum value of Units held: Class A RMB: RMB 10,000 Class A HKD: HKD 10,000 Class A USD: USD 1,000

What is this product?

Ping An of China SIF - RMB Bond Fund is a sub-fund of Ping An of China Select Investment Fund Series which is a Hong Kong domiciled umbrella structure unit trust established by a trust deed dated 11 April 2011. It is governed by the laws of Hong Kong.

* The ongoing charges figure is an annualized figure based on actual expenses in the interim financial statements, excluding transactional costs and realised/unrealized exchange gain and losses for the period from 1 July 2017 to 31 December 2017. All unit classes have same fee structure and this figure may vary from year to year.

Objective and Investment Strategy

Objective

Ping An of China SIF - RMB Bond Fund seeks to provide total returns comprised of interest income and capital growth by investing principally in RMB denominated fixed or floating rate debt securities. It invests primarily in RMB denominated debt instruments issued or distributed outside mainland China.

The Sub-Fund may also invest in RMB denominated deposits issued outside mainland China including but not limited to bank certificates of deposits, bank deposits and negotiated term deposits with authorised financial institutions and instruments issued outside mainland China including convertible bonds, commercial papers and short term bills and notes. The above types of instruments (other than bank deposits) shall be hereinafter referred to as "RMB Income Instruments".

The Sub-Fund may also invest less than 30% of its net asset value directly in RMB Income Instruments issued or distributed within mainland China via Bond Connect.

The RMB Income Instruments are issued by government, quasi-government organizations, financial institutions, multinational organizations and other corporations.

At least 90% of the investments of the Sub-Fund will be maintained in RMB Income Instruments denominated and settled in RMB and RMB-denominated bank deposits. The remaining portion will mainly comprise non-RMB denominated bank deposits issued or distributed outside mainland China.

Strategy

The Manager seeks to achieve investment returns through active management of the major risks associated with RMB Income Instruments: duration, term structure, sector allocation, product selection and credit rating where applicable.

The Manager will construct the portfolio to take advantage of the expected change in the general level of RMB interest rates based on expectations of global and China's macroeconomic cycle, fiscal policy and monetary policy. The portfolio will consist of RMB Income Instruments of different maturities and credit quality and bank deposits, and each instrument in the portfolio will be selected based on extensive in-house and external fundamental research.

The Sub-Fund will not invest in any derivatives or structured deposits or products.

The Manager currently does not intend to enter into any securities lending or repurchase transactions in respect of the Sub-Fund.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. Investment risk

- The Sub-Fund is an investment fund and not a bank deposit. There is no guarantee of the repayment of principal.
- There is also no guarantee of dividend or distribution payments during the period you

hold the units of the Sub-Fund.

- The instruments invested by the Sub-Fund may fall in value and therefore your investment in the Sub-Fund may suffer losses.

2. RMB currency risk

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.
- There is no guarantee that RMB will not depreciate. Investors may suffer a loss if (i) they convert another currency into RMB so as to invest in the RMB denominated classes and subsequently convert the RMB redemption proceeds back into such other currency or (ii) they invest non-RMB denominated classes of Units in case of depreciation of RMB as the majority of the Sub-Fund's investments will be held in RMB Income Instruments and RMB denominated deposits.
- Currency conversion may also be subject to the availability of RMB at the relevant time, for example, there may not be sufficient RMB for conversion in case of sizeable subscriptions (in non-RMB denominated classes of Units) and in which case may affect the investor's investment in the Sub-Fund.
- The Manager will apply the exchange rate for offshore RMB market in Hong Kong in calculating the value of non-RMB denominated or settled assets and the prices of non-RMB classes ("CNH rate"). The CNH rate may be at a premium or discount to the exchange rate for onshore RMB market in the PRC and there may be significant bid and offer spreads. As a result, the value of the Sub-Fund will be subject to fluctuation.

3. Credit risk of counterparties

- The Sub-Fund is exposed to the credit/insolvency risk of issuers of RMB Income Instruments and bank deposits that the Sub-Fund will invest in.
- RMB Income Instruments and bank deposits that the Sub-Fund invests in are typically unsecured debt obligations and are not supported by any collateral. The Sub-Fund will be fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.
- Currently, some of the RMB debt securities that are available to the Sub-Fund are not rated. These debt securities may be subject to greater risks because of generally lower credit worthiness and liquidity, greater fluctuation in value and higher chance of default than investment grade debt securities.

4. Interest rate risk

- Generally, the prices of the RMB Income instruments fall when interest rates rise and vice versa. The Sub-Fund may therefore suffer a loss in disposing the RMB Instruments.

5. Risk of limited pool of investments

- The quantity of RMB Income Instruments issued or distributed outside mainland China is currently limited. The Sub-Fund may hold a significant portion of assets in bank deposits if there are not sufficient RMB Income Instruments for the Sub-Fund to invest in. This may adversely affect the Sub-Fund's return and performance.

6. Liquidity risk

- RMB Income Instruments that are currently not listed on a stock exchange or a securities market where trading is conducted on a regular basis may be subject to

additional liquidity risk. The Sub-Fund may suffer losses in trading such instruments.

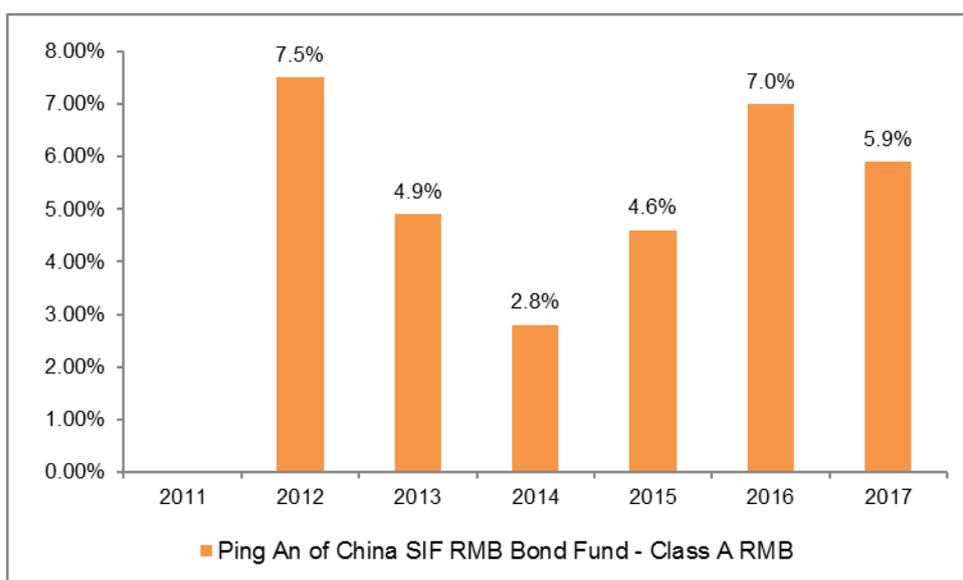
- The bid and offer spread of the price of RMB Income Instruments may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.

7. Risks associated with distributions out of capital

- The Manager may at its discretion pay distributions out of the capital of the Sub-Fund or pay distributions out of gross income while charging / paying all or part of the Sub-Fund's fees and expenses to / out of capital of the Sub-Fund. Where distributions are paid out of gross income, this will result in an increase in distributable income for the payment of distributions by the Sub-Fund and therefore, the Sub-Fund may effectively pay distributions out of capital. Unitholders should note that the distributions paid out of capital or effectively out of capital amount to a return or withdrawal of part of a Unitholder's original investment or from any capital gains attributable to that original investment. Any distributions involving payment of distributions out of the Sub-Fund's capital or payment of distributions effectively out of a Sub-Fund's capital (as the case may be) may result in an immediate reduction of the net asset value per Unit. The Manager may amend the distribution policy subject to SFC's prior approval and by not giving less than one month's prior notice to Unitholders.

How has the Sub-Fund performed?

Performance of Class A RMB Units of the Sub-Fund



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the Class A RMB Units increased or decreased in value during the calendar year being shown. Performance data has been calculated in RMB including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- All performance information of the remaining Unit classes (Class A HKD and Class A USD Units) are presented on the Manager's website at

<http://asset.pingan.com.hk/eng/funds.php?id=1#f2>. Investors should note that the aforesaid website has not been reviewed by the SFC.

- Sub-Fund and Class A RMB launch date: 28 April 2011
- Class A RMB is selected as the most appropriate representative unit class as it is denominated in the Sub-Fund's base currency.

Is there any guarantee?

This Sub-Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the units of the Sub-Fund.

<u>Fee</u>	<u>What you pay</u>	
Subscription Fee (Preliminary Charge) (% of total subscription amount received)	up to 5.0%	
Switching Fee (Switching Charge) (% of total amount being switched into)	Current Fee Class A: 1.0%	Maximum Fee up to 4.0%
Redemption Fee (Redemption Charge) (% of Redemption Price)	Nil	

Ongoing fees payable by the Sub-Fund

The following expenses will be paid out of the Sub-Fund. They affect you because they reduce the return you get on your investments.

<u>Fees</u>	<u>Annual rate (as a % of the Sub-Fund's net asset value)</u>
Management Fee [#]	1.0% p.a.
Trustee Fee [#]	up to 0.15% p.a. (subject to a minimum monthly fee of RMB40,000.00)
Custody Fee	up to 0.025% p.a.
Performance Fee	N/A

Please refer to Appendix I to the offering document of the Sub-Fund for details.

[#] Unitholders shall be given not less than 1 month's prior notice should the Management Fee and Trustee Fee be increased from the current level up to the maximum level as disclosed in the Explanatory Memorandum.

Other fees

You may have to pay other fees and charges when dealing in the units of the Sub-Fund. The Sub-Fund will also bear the costs which are directly attributable to it, as set out in its offering document.

Additional Information

- The net asset value of this Sub-Fund is determined on each Dealing Day and published daily in the Hong Kong Standard and in the Hong Kong Economic Times.
- You generally subscribe, switch and redeem units at the Sub-Fund's next-determined net asset value after the Authorised Distributor receives your request in good order at or before 4:00p.m. (Hong Kong time) on the relevant Dealing Day, which is generally every Business Day. The Authorised Distributor(s) may impose an earlier cut-off time for receiving instructions for subscriptions, redemptions or switching. Investors should confirm the arrangements of the Authorised Distributor(s) concerned.
- Compositions of the distributions (if any) (i.e. the relative amounts / percentages paid out of (i) net distributable income and (ii) capital) for the last 12 months are available by the Manager on request and also on the following website: <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>. Investors should note that the aforesaid website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.