

Ping An of China Select Investment Fund Series

Explanatory Memorandum

中国平安 PING AN

保險 · 銀行 · 投資

Fund Manager



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

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.

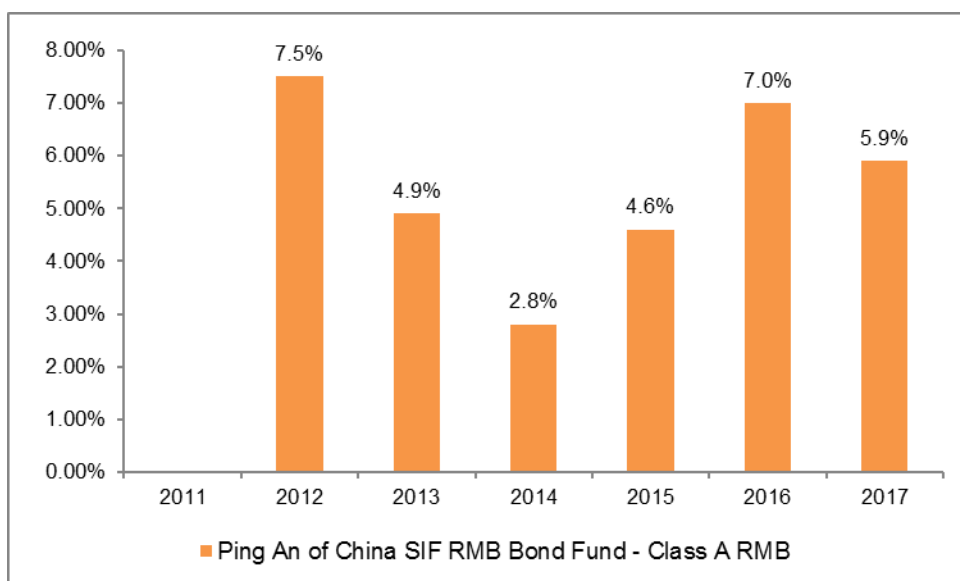
- The bid and offer spread of the price of RMB Income Instruments may be large, so the Sub-Fund may incur significant trading and realisation costs and may suffer losses accordingly.

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.

IMPORTANT: The Securities and Futures Commission takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.

The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge, the opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcement on Change of Directors

Issued by
Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited
23 April 2018

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

The Securities and Futures Commission takes no responsibility for the contents of this Addendum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

CHAN Tak Yin

TUNG Hoi

CHOY Siu Kam David

ZHUANG Yan

LI Wen

CHAI Chi Kit

WONG Chak Kei Jack

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:

The name “**WONG Chak Kei Jack**” and the following biographical details are inserted:

“WONG Chak Kei Jack

Mr. Wong is currently the Managing Director, Financial Products of Ping An of China Asset Management (Hong Kong) Company Limited. Prior to joining Ping An, Mr. Wong served as the head of sovereign and financial institutions Asia and member of global management committee, financial engineering, product line manager of Societe Generale. Mr. Wong works as a professor of mathematics and engineering at Hong Kong University of Science and Technology and the Chinese University of Hong Kong respectively. He had worked as MD in IBD Barclays Capital, MD in UBS, ED in Goldman Sachs FICC trading in London and Quantitative Analyst in Morgan Stanley. Mr. Wong graduated with Bachelor of Engineering from the Chinese University of Hong Kong, Oxford University with a Bachelor of Engineering, MPhil and D.Phil. in Economics from the University of Oxford. He was elected as Rhodes Scholar of Hong Kong.”

The directors of the Manager accept responsibility for the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited
23 April 2018

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If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcement on Change of Directors

Issued by

**Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited
12 April 2018

IMPORTANT:

This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “Explanatory Memorandum”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.

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Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

CHAN Tak Yin

TUNG Hoi

CHOY Siu Kam David

ZHUANG Yan

LI Wen

CHAI Chi Kit

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:

The name “**LAU Chun Fai**” and the corresponding biographical details are deleted.

The name “**CHAI Chi Kit**” and the following biographical details are inserted:

“**CHAI Chi Kit**

Mr. Chai joined Ping An as the Head of Capital Markets and CIO in 2017. He is in charge of all capital market investments. Prior to joining Ping An, Mr. Chai worked for Teacher Retirement System of Texas, one of the largest pension funds in the US, for 21 years. He was the senior managing director and head of Internal Public Markets there. Mr. Chai was also on the Management Committee and Investment Committee which approved all external investments. He holds a Bachelor of Arts in Economics from Virginia Polytechnic Institute & State University, a Master of Business Administration from Southern Methodist University as a Dean’s Scholar and a Master of Arts in Economics from the University of Texas at Austin. Mr. Chai is also a CFA since 1998.”

The directors of the Manager accept responsibility for the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

12 April 2018

IMPORTANT: The Securities and Futures Commission (the “SFC”) takes no responsibility for the contents of this Announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement.

The Manager accepts full responsibility for the accuracy of the information contained in this Announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge, the opinions expressed in this Announcement have been arrived at after due and careful consideration.

Investments involve risks, including the loss of principal. You are advised to consider your investment objectives and circumstances in determining the suitability of an investment in the Fund. An investment in the Fund may not be suitable for everyone.

SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

If you are in doubt about the contents of this Announcement, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series (the “Fund”) Ping An of China SIF – RMB Bond Fund (the “Sub-Fund”)

Announcement on Change of Auditors

Issued by

**Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Fund and the Sub-Fund, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces that the auditors of Fund and the Sub-Fund has been changed from Ernst & Young to PricewaterhouseCoopers with effect from 5 January 2018.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Fund (the “**Addendum**”) to reflect the abovementioned change. The Addendum is available on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5> (this website has not been reviewed by the SFC) from the date of this Announcement.

Investors who have any enquires regarding the above may contact the Manger at (+852) 3762 9228 or visit <http://asset.pingan.com.hk> (this website has not been reviewed by the SFC).

Ping An of China Asset Management (Hong Kong) Company Limited
24 January 2018

IMPORTANT:

This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated March 2013 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

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Ping An of China Select Investment Fund Series (the “Fund”) Ping An of China SIF – RMB Bond Fund (the “Sub-Fund”)

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the sub-section entitled “**Auditors**” is deleted and replaced by the following:

“PricewaterhouseCoopers
21/F, Edinburgh Tower,
15 Queen’s Road Central,
Hong Kong”

2. Under the section headed “**Management of the Fund**” of the Explanatory Memorandum, the paragraphs under the sub-section entitled “**The Auditor**” on pages 11 and 12 are deleted in their entirety and replaced by the following:

“PricewaterhouseCoopers has been appointed to act as auditors to the Fund and its sub-funds.

The engagement letter entered into by the Fund, its sub-funds and the auditor contains provisions limiting the liability of the auditor to a certain amount stated in the engagement letter, except to the extent to which the auditor is finally determined to have engaged in wilful misconduct or fraudulent behaviour. Other release and indemnity provisions are also contained in the engagement letter.”

3. Under the section headed “**Risk Factors**” of the Explanatory Memorandum, paragraph (xvi) on page 35 is deleted and replaced by the following:

“(xvi) Restriction on Auditor’s Liability - The engagement letter entered into by the Fund, its sub-funds and the auditor contains provisions limiting the liability of the auditor to a certain amount stated in the engagement letter, except to the extent to which the auditor is finally determined to have engaged in wilful misconduct or fraudulent behaviour. Other release and indemnity provisions are also contained in the engagement letter.”

The directors of the Manager accept responsibility for the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited
24 January 2018

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If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

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Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. The paragraphs under the section headed “**Investment Objective and Policy**” in “Appendix I – Ping An of China SIF – RMB Bond Fund” of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:-

“Investment Objective and Policy

The investment objective of the Sub-Fund is to provide total returns comprised of interest income and capital growth by investing principally in RMB denominated fixed or floating rate debt securities.

The Sub-Fund 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, negotiated term deposits with authorised financial institutions and the following instruments (also issued outside mainland China):

- convertible bonds,
- commercial papers;
- short term bills and notes, etc.

The above types of instruments (other than bank deposits) are collectively 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.

The issuers of RMB Income Instruments may or may not be established or incorporated in mainland China.

Subject to the investment restrictions set out in the section headed “Investment and Borrowing Restrictions”, the Sub-Fund will also comply with the following restrictions: the Sub-Fund’s investments in RMB Income Instruments issued by an issuer together with any bank deposits with such issuer will not in aggregate exceed 10% of its Net Asset Value, except: (a) where the issuer is a substantial financial institution and the total investments does not exceed 10% of the issuer’s issued capital and published reserves, the limit may be increased to 25%; or (b) in respect of any deposit of less than US\$1 million or its equivalent in RMB, where the Sub-Fund cannot otherwise diversify as a result of its size.

The Sub-Fund will not invest directly in China A-shares or other securities issued within mainland China through any qualified financial institutional investor (“QFII”). Not less than one month’s prior notice will be given to investors if the Manager intends to make such investment.

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. If the Manager intends to enter into such transactions, subject to the SFC’s prior approval, Unitholders will be given one month’s prior notice (or such shorter notice period as the SFC may agree).

The following is an indicative investment allocation of the Sub-Fund. Investors should note that the Manager may at any time adjust the allocation (within the prescribed limit as shown in the below table) having regard to prevailing market conditions in future without further notice.

<i>Type of instrument</i>	<i>Indicative percentage (of Sub-Fund’s value)</i>
Government securities and quasi-government organisation securities	Up to 80%
Debts issued by substantial financial institutions and corporate entities	Up to 70%

In the absence of available RMB Income Instruments, the Sub-Fund may invest a significant portion of its portfolio in RMB negotiated bank deposits with substantial financial institutions (as defined in the SFC’s Code on Unit Trusts and Mutual Funds), subject to the Sub-Fund’s diversification policy as mentioned above.”

2. The risk factor “**Credit risk of issuers of counterparties**” in Appendix I - Ping An of China SIF - RMB Bond Fund” of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:-

“*Credit risk of issuers of counterparties* – Investment in RMB Income Instruments is subject to the counterparty risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. The financial market of mainland China is at an early stage of development, and some of the RMB Income Instruments that the Sub-Fund invests in are and will be unrated. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the RMB Income Instruments, the Sub-Fund’s value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers of RMB Income Instruments as such issuers may be incorporated outside Hong Kong and subject to foreign laws.

RMB Income Instruments and RMB denominated bank deposits are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer’s assets will be paid to holders of RMB Income Instruments and RMB denominated bank deposits only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

In relation to RMB Income Instruments issued or distributed within mainland China, the credit appraisal system in the mainland China and the rating methodologies employed in the mainland China may be different from those employed in other markets. Credit ratings given by mainland China rating agencies may therefore not be directly comparable with those given by other international rating agencies.”

3. The second paragraph under the risk factor “**Risk of limited pool of investments**” in Appendix I - Ping An of China SIF - RMB Bond Fund of the Explanatory Memorandum shall be deleted in its entirety.
4. The risk factor “**Foreign exchange risk**” in Appendix I - Ping An of China SIF - RMB Bond Fund” of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:-

“*Foreign exchange risk* - The Renminbi is not currently a freely convertible currency and is subject to exchange control imposed by the Chinese government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as 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, it will be subject to the risk of the PRC government’s imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the Sub-Fund to satisfy payments to investors.

On the other hand, the Sub-Fund may also invest in non-RMB denominated debt instruments and non-RMB denominated bank deposits. The exchange rates for Renminbi (being the base currency of the Sub-Fund) against other currencies, including US dollars and Hong Kong dollars, are susceptible to controls or movements based on external factors (including but not limited to

different market and regulatory conditions) which may adversely affect the overall performance of the Sub-Fund.”

5. The following additional risk factors shall be inserted immediately after the risk factor “**Foreign exchange risk**” in “Appendix I – Ping An of China SIF – RMB Bond Fund” of the Explanatory Memorandum as follows:-

“Risks associated with Bond Connect

Overview

Bond Connect is a new initiative launched in July 2017 for mutual bond market access between Hong Kong and mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre (“**CFETS**”), China Central Depository & Clearing Co., Ltd, Shanghai Clearing House, and Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the China Interbank Bond Market (“**CIBM**”) through the northbound trading of Bond Connect (“**Northbound Trading Link**”). There will be no investment quota for Northbound Trading Link.

Under the Northbound Trading Link, eligible foreign investors are required to appoint the CFETS or other institutions recognised by the People’s Bank of China (“**PBOC**”) as registration agents to apply for registration with the PBOC.

Pursuant to the prevailing regulations in mainland China, an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the PBOC (currently, the China Securities Depository & Clearing Co., Ltd and Hong Kong Interbank Clearing Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Risks associated with Bond Connect

Market volatility and potential lack of liquidity due to low trading volume of certain debt securities in the CIBM may result in prices of certain debt securities traded on such market fluctuating significantly. The Sub-Fund investing in such market is therefore subject to liquidity and volatility risks. The bid and offer spreads of the prices of such securities may be large, and the Sub-Fund may therefore incur significant trading and realisation costs and may even suffer losses when selling such investments.

To the extent that the Sub-Fund transacts in the CIBM, the Sub-Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Sub-Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

For investments via Bond Connect, the relevant filings, registration with PBOC and account opening have to be carried out via an offshore custody agent, registration agents, or other third

parties (as the case may be). As such, the Sub-Fund is subject to the risks of default or errors on the part of such third parties.

Investing in the CIBM via Bond Connect is also subject to regulatory risks. The relevant rules and regulations on Bond Connect are subject to change which may have potential retrospective effect. In the event that the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Sub-Fund's ability to invest in the CIBM will be adversely affected. In such event, the Sub-Fund's ability to achieve its investment objective will be negatively affected.

Trading through Bond Connect is performed through newly developed trading platforms and operational systems. There is no assurance that such systems will function properly or will continue to be adapted to changes and developments in the market. In the event that the relevant systems fails to function properly, trading through Bond Connect may be disrupted. The Sub-Fund's ability to trade through Bond Connect (and hence to pursue its investment strategy) may therefore be adversely affected. In addition, where Sub-Fund invests in the CIBM through Bond Connect, it may be subject to risks of delays inherent in the order placing and/or settlement systems.

Taxation Risk

There is no specific written guidance by the mainland China tax authorities on the treatment of income tax and other tax categories payable in respect of trading in CIBM by eligible foreign institutional investors via Bond Connect. Hence it is uncertain as to the Sub-Fund's tax liabilities for trading in CIBM via Bond Connect. For further details on PRC taxes and associated risks, please refer to the risk factor headed "**PRC tax considerations**" under the "**RISK FACTORS**" section.

Risks in relation to specific types of instruments in the CIBM

The Sub-Fund may be subject to risks associated with the following type(s) of instruments traded on the CIBM:

Collateralised and/or securitised products - Asset backed securities/ mortgage backed securities and asset backed commercial papers may be highly illiquid and prone to substantial price volatility. These instruments may be subject to greater credit, liquidity and interest rate risk compared to other debt securities. They are often exposed to extension and prepayment risks and risks that the payment obligations relating to the underlying assets are not met, which may adversely impact the returns of the securities.

Urban investment bonds – Urban investment bonds are issued by local government financing vehicles ("**LGFVs**"), such bonds are typically not guaranteed by local governments or the central government of the mainland China. In the event that the LGFVs default on payment of principal or interest of the urban investment bonds, the Sub-Fund could suffer substantial loss and the Net Asset Value of the Sub-Fund could be adversely affected."

6. The risk factor "**PRC tax considerations**" on page 37 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“(xvii) **PRC tax considerations** - By investing in Renminbi denominated corporate and government bonds issued by tax residents in the PRC, a Sub-Fund may be subject to withholding and other taxes imposed in the PRC.

(A) Renminbi Instruments issued outside China by non-PRC tax resident enterprises

Income (including interest income and capital gains) derived from the Sub-Fund’s investments in RMB denominated fixed income instruments issued by non-PRC tax resident enterprises outside China should not be subject to PRC taxes, unless the Sub-Fund is considered as a tax resident enterprise of the PRC.

(B) Renminbi Instruments issued by PRC tax resident enterprises

If the Sub-Fund is considered as a tax resident enterprise of the PRC, it will be subject to PRC Corporate Income Tax (“**CIT**”) at 25% on its worldwide taxable income. If the Fund / Sub-Fund is considered as a non-PRC tax resident enterprise with an establishment or place of business (“**E&P**”) in the PRC, the profits attributable to that E&P would be subject to CIT at 25%.

Unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties, the non-PRC tax resident enterprises without an E&P in the PRC are subject to CIT on a withholding basis (i.e. WIT), generally at a rate of 10%, to the extent it directly derives the PRC sourced passive income.

Corporate Income Tax:

Interests

In respect of interests, under the PRC CIT Law and regulations, interests derived from government bonds issued by the in-charge Finance Bureau of the State Council and/or local government bonds approved by the State Council shall be exempt from PRC income tax. Further, under the "Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income" (the “China-HK Arrangement”), if a Hong Kong tax resident receives interest income from the PRC tax resident enterprises, the WIT rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income and provided the relevant criteria are satisfied. In practice, it is difficult to enjoy treaty benefit under China-HK Arrangement, and as such the prevailing rate of 10% should be applicable to the Sub-Fund.

Capital gains

In relation to gains realised from the disposal of bonds issued by PRC issuers, the PRC authorities have verbally indicated, on various public occasions that such gains are non-PRC sourced income and hence not subject to WIT. However, there is no specific written tax regulation to confirm the same. In practice, the PRC authorities have not enforced the collection of WIT on gains realised from the disposal of PRC debt securities.

Value-added Tax (“VAT”) and other surtaxes

(a) Interest income

Pursuant to Circular 36, starting from 1 May 2016, interest income from PRC bond issuers should technically be subject to 6% VAT. Interest income received from PRC State government bonds and PRC local government bonds are exempted from VAT.

(b) Capital gains

Pursuant to Circular 36, gains realized from the trading of PRC marketable securities would generally be subject to VAT at 6%. In the absence of specific VAT rules on Bond Connect, it may make reference to Article 4 of the “Supplementary Notice Regarding the VAT Policies on Inter-bank Financial Transactions by Financial Institutions” (Caishui [2016] No. 70). Income derived by approved foreign investors from the trading of RMB denominated debt securities in the China Interbank Bond Market should be exempt from China VAT.

If VAT is applicable, there are also other surtaxes (which include Urban Construction and Maintenance Tax, Education Surcharge and Local Education Surcharge) that would also be charged at an amount as high as 12% of the 6% VAT payable (or an additional 0.72%). In addition, there may also be other local levies such as flood prevention fee, commodity reconciliation fund and water conservancy fund, depending on the locations of the PRC companies.

Stamp duty:

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC’s Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of China A- and B-Shares traded on the PRC stock exchanges. In the case of contracts for sale of China A- and B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

Tax Provision:

It is the intention of the Manager to operate the affairs of the Manager and the relevant Sub-Fund such that they are not tax resident enterprises and have no permanent establishment in the PRC for PRC corporate income tax purposes, although this cannot be guaranteed.

The Manager will decide whether tax provisions will be made in respect of a Sub-Fund for the above tax obligations based on independent tax advice obtained. Even if provisions are made, the amount of such provisions may not be sufficient to meet the actual tax liabilities. With the uncertainties under the applicable PRC tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet actual PRC tax liabilities on incomes derived from investments held by the Sub-Fund. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such incomes will be taxed, the level of provision and when they subscribed and/or redeemed their Units in/from the relevant Sub-Fund. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Sub-Fund’s assets, the Sub-Fund’s asset value will be adversely affected.

Various tax reform policies have been implemented by the PRC government in the recent years, and the existing tax laws and regulations may be revised or amended in the future. There is a

possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the relevant Sub-Fund. Moreover, there is no assurance that the tax incentives currently offered to the foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in the tax policies may reduce the incomes of the Sub-Fund, thereby reducing the income from, and/or value of the Units.”

7. The section “**TAXATION**” on page 42 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:-

“TAXATION

Each prospective Unitholder should inform himself of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and redemption of Units by him under the laws of the places of his citizenship, residence and domicile.

The following summary of Hong Kong taxation is of a general nature, is for information purposes only, and is not intended to be an exhaustive list of all of the tax considerations that may be relevant to a decision to purchase, own, redeem or otherwise dispose of Units. This summary does not constitute legal or tax advice and does not purport to deal with the tax consequences applicable to all categories of Unitholders. Prospective Unitholders should consult their own professional advisers as to the implications of their subscribing for, purchasing, holding, redeeming or disposing of Units both under the laws and practice of Hong Kong and the laws and practice of their respective jurisdictions. The information below is based on the law and practice in force in Hong Kong at the date of this Explanatory Memorandum. The relevant laws, rules and practice relating to tax are subject to change and amendment (and such changes may be made on a retrospective basis). As such, there can be no guarantee that the summary provided below will continue to be applicable after the date of this Explanatory Memorandum. Furthermore, tax laws can be subject to different interpretations and no assurance can be given that relevant tax authorities will not take a contrary position to the tax treatments described below.

Hong Kong Taxation

Profits Tax

The Fund/Sub-Fund(s)

As the Fund and the Sub-Fund(s) have been authorised, as a collective investment scheme constituted as a unit trust by the SFC under Section 104 of the SFO, profits of the Fund and the Sub-Fund(s) are exempt from Hong Kong Profits Tax.

The Unitholders

Unitholders should not be subject to any Hong Kong profits tax (whether by way of withholding or otherwise) on distributions by the Fund or Sub-Fund(s) in accordance with the practice of the Inland Revenue Department of Hong Kong (as at the date of this Explanatory Memorandum).

Hong Kong profits tax (which is currently charged at the rate of 16.5% for corporations, and 15% for individuals or unincorporated business) will arise on any gains or profits made on the sale, redemption or other disposal of the Units where the profits, not being regarded as capital in nature, arise from a trade, profession or business carried on by a Unitholder in Hong Kong and are sourced in Hong Kong. Unitholders should take advice from their own professional advisers as to their particular tax position.

Stamp Duty

No Hong Kong ad valorem stamp duty is payable on the issue of Units or on the redemption of Units.

No Hong Kong stamp duty is payable where the sale or transfer of the Units is effected by the Manager, who then either extinguishes the Units or re-sells the Units to another person within two months thereof.

Other types of sales or purchases or transfers of the Units by the Unitholders should be liable to Hong Kong Stamp Duty of 0.1% (borne by each of the buyer and seller) on the higher of the consideration amount or market value. In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Units.

Automatic Exchange of Financial Account Information

(a) General Information

The Inland Revenue (Amendment) (No.3) Ordinance ("Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FI") in Hong Kong to collect information relating to non-Hong Kong tax residents holding accounts with Hong Kong FIs, and to file such information with the Hong Kong Inland Revenue Department ("IRD") who in turn will exchange such information with the jurisdiction(s) in which that account holder is resident. Further to the operation of the Inland Revenue (Amendment) (No.3) Bill 2017 on 1 July 2017, the number of reportable jurisdictions has been increased to include jurisdictions which Hong Kong has yet to enter into a Competent Authority Agreement ("CAA"). The Sub-Funds and/or its agents may thus adopt the wider approach in collecting residency information of account holders.

The Fund and Sub-Funds are required to comply with the requirements of AEOI as implemented by Hong Kong, which means that the Fund, the Manager, the Trustee and/or any of their agents shall collect and provide to the IRD tax information relating to Unitholders and prospective investors.

The AEOI rules as implemented by Hong Kong require the Fund to, amongst other things: (i) register the Fund's status as a "Reporting Financial Institution" with the IRD; (ii) conduct due diligence on its accounts (i.e. Unitholders) to identify whether any such accounts are considered "Reportable Accounts" for AEOI purposes; and (iii) report to the IRD the information on such Reportable Accounts. The IRD is expected on an annual basis, commencing from 2018, to transmit the information reported to it to the government authorities of the relevant jurisdictions with which Hong Kong has signed a CAA. Broadly, AEOI contemplates that Hong Kong FIs should report on: (i) individuals or entities that are tax residents in a jurisdiction with which Hong Kong has signed a CAA; and (ii) certain entities controlled by individuals who are

tax residents in such other jurisdiction. Under the Ordinance, details of Unitholders, including but not limited to their name, date and jurisdiction of birth, address, tax residence, tax identification number (if any), account details, account balance/value, and income or sale or redemption proceeds, may be reported to the IRD and subsequently exchanged with government authorities in the relevant jurisdictions of tax residence.

(b) Impact to the Sub-Funds and Unitholders

By investing in the Fund and the Sub-Funds and/or continuing to invest in the Fund and Sub-Funds, Unitholders acknowledge that they may be required to provide additional information to the Manager, the Trustee and/or their agents in order for the Fund and Sub-Funds to comply with AEOI. The Unitholder's information (and information on beneficial owners, beneficiaries, direct or indirect shareholders or other persons associated with such Unitholders that are not natural persons) may be communicated by the IRD to authorities in other jurisdictions. The failure of a Unitholder to provide any requested information, may result in the Manager, the Trustee and/or their agents, as permitted by applicable law and regulations, taking any action and/or pursue remedies at their disposal including, without limitation, mandatory redemption or withdrawal of the Unitholder concerned.

In such case, the Manager and/or the Trustee shall act in good faith and on reasonable grounds when exercising its discretion to mandatorily redeem or withdraw a Unitholder.

Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Fund and the Sub-Funds.

China taxation

Investors should also refer to the "PRC tax considerations" under the section headed "Risk Factors" to inform themselves of possible tax consequences under PRC laws."

8. A new section headed shall be inserted after the section headed "Investment and Borrowing Restriction" on page 29 of the Explanatory Memorandum as follows:-

“LIQUIDITY RISK MANAGEMENT

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Fund and to ensure that the liquidity profile of the investments of the Fund will facilitate compliance with the Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of Unitholders and safeguard the interests of remaining Unitholders in case of sizeable redemptions.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of the Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by the Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "Redemption of Units", and will facilitate compliance with the

Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Fund under normal and exceptional market conditions.

As a liquidity risk management tool, the Manager may suspend the right to redeem Units and/or delay the payment of any monies and redemption proceeds during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended. This is further detailed in the sub-section headed "Restrictions on redemption and switching."

The Manager accepts full responsibility for the accuracy of the information contained in this Addendum and confirm, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited
27 November 2017

IMPORTANT: The Securities and Futures Commission takes no responsibility for the contents of this Notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.

The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge, the opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Directors

Issued by

**Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited
14 March 2017

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

The Securities and Futures Commission takes no responsibility for the contents of this Addendum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

CHAN Tak Yin

TUNG Hoi

CHOY Siu Kam David

ZHUANG Yan

LI Wen

LAU Chun Fai

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:

The name “**YAO Jun**”, “**YAO Jason Bo**”, “**CAI Fangfang**”, “**WAN Fang**”, “**YU Wenjie**”, “**GAO Peng**”, “**HUANG Yong**”, “**TAN Sin Yin**” and “**CHANG Jack P**” and the corresponding biographical details are deleted.

The name “**CHOY Siu Kam David**”, “**ZHUANG Yan**”, “**LI Wen**” & “**LAU Chun Fai**” and the following biographical details are inserted:

“CHOY Siu Kam David

Mr. Choy has been the Group Head of Treasury since 2014. Mr Choy joined Ping An in 2007 and acted as Deputy Head of Group Finance Dept, Deputy Head of Group Planning Dept, Chairman of China Ping An Insurance Overseas (Holdings) Ltd. Mr Choy currently acts as Board of directors and supervisors in more than 10 subsidiaries of Ping An Group. In 2015, Mr Choy was awarded Ping An Top 10 Managers Award. Before joining Ping An Group, from July 1997 to March 2007, Mr. Choy had served in various companies, including Bank of America (Asia), KPMG Hong Kong, Ernst &Young in Beijing and Guangzhou, Head Office Financial Controller & Head of Finance & Planning Dept. of Shenzhen Development Bank, Head Office Finance Information and Asset and Liability Management Dept. of Shenzhen Development Bank. Mr. Choy holds a Bachelor of Business Administration in Finance Degree at Hong Kong University of Science and Technology and a Master of Science in Corporate Governance and Directorship at Hong Kong Baptist University, and he is also a member of AICPA and HKICPA.

ZHUANG Yan

Ms. Zhuang Yan has been the General Manager of Personnel Performance Management Department of Group Human Resource Center and Supervisor of Organization Department of Ping An group since July 2013. Ms. Zhuang joined Ping An group in June 1995. She has served as the business manager of Ping An Life and Ping An Property & Casualty, Product Manager of Product Division, Deputy General Manager of Planning and Finance Department, Deputy General Manager of Product Division and General Manager of Human Resources of Ping An Property & Casualty. Ms. Zhuang holds a Master's degree in Finance from Hunan University.

LI Wen

Ms. Li is currently the Deputy General Manager of Group Legal & Compliance Department of Ping An Insurance (Group) Company of China, Ltd. From January 2010 to December 2014, Ms. Li was the Head and Deputy General Manager of Legal & Compliance Department of Ping An Trust Co., Ltd. Ms. Li joined the Ping An group in 2003. Prior to that, she served as a Partner of TransAsia Lawyers in Shanghai. Ms. Li currently also holds the position of Supervisor of Ping An Real Estate. Ms. Li holds a bachelor's degree in International Economics from Fudan University.

LAU Chun Fai

Mr. Lau is currently a Senior Portfolio Manager of Ping An of China Asset Management (Hong Kong) Co. Ltd. Apart from participation in formulating investment strategy, Mr. Lau focuses on managing portfolios and performs the related investment research. Mr. Lau has had 13 years of experience in investment. He has worked in several large international financial institutions and Chinese asset management firms. Prior to joining Ping An, he served as an investment counselor at Citi Private Bank, Vice President at the equity research department of Credit Suisse (Hong Kong) Limited, the fund manager at GF Asset Management (Hong Kong) Limited and a Director at the Capital Market Department of China Huarong International Holdings Limited. Mr. Lau is specialized in fundamental research and securities valuation analysis. He is experienced in managing funds and discretionary portfolios. Mr. Lau started his career at the audit and business advisory department with Ernst & Young. He holds a Bachelor degree in Business Administration from University of Hong Kong and an MBA degree from University of Oxford. He is also a CFA charter holder and a Certified Public Accountant (CPA).”

The directors of the Manager accept responsibility for the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

14 March 2017

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The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of its knowledge opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Directors

Issued by

Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited
9 January 2017

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

The Securities and Futures Commission takes no responsibility for the contents of this Addendum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

YAO Jun
YAO Jason Bo
CAI Fangfang
CHAN Tak Yin
TUNG Hoi
WAN Fang
YU Wenjie
GAO Peng
HUANG Yong
TAN Sin Yin
CHANG Jack P

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:

The name “**CHOW Woon San Shirley**” and the corresponding biographical details are deleted.

The directors of the Manager accept responsibility for the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

9 January 2017

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The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of its knowledge opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Address of Manager

Issued by

Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces that the office address of the Manager will be changed to **Suite 2301, 23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong** with effect from **26 September 2016**. The Manager’s website, email address, telephone number and facsimile number remain unchanged.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited
23 September 2016

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

The Securities and Futures Commission takes no responsibility for the contents of this Addendum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.

**Ping An of China Select Investment Fund Series –
RMB Bond Fund**

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under “**IMPORTANT INFORMATION FOR INVESTORS**” and the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the office address of the Manager will be updated as follows:

Suite 2301, 23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong

The directors of the Manager accept responsibility of the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

23 September 2016

IMPORTANT: The Securities and Futures Commission takes no responsibility for the contents of this Notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.

The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of its knowledge opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Directors

Issued by
Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited
17 June 2016

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

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Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

CHAN Tak Yin
CHANG Jack P
CAI Fangfang
YAO Jason Bo
TUNG Hoi
WAN Fang
YU Wenjie
YAO Jun
HUANG Yong
GAO Peng
TAN Sin Yin
CHOW Woon San Shirley

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:
 - a. The name “**MAK Nixon Kim Ho**” and the corresponding biographical details are deleted.
 - b. The name “**CHOW Woon San Shirley**” and the following biographical details are inserted:

“CHOW Woon San Shirley

Ms CHOW joined Ping An of China Asset Management (Hong Kong) in October 2008 as Head of Compliance, responsible for overseeing and supervising the legal and compliance functions of the Company, to ensure compliance with all applicable rules and regulations under the SFO in Hong Kong, maintaining the Company’s and Employees’ licenses with SFC. Since joining the Company, Ms CHOW has been a key project member for new product development, leading work in legal documentation for fund setup, authorization application with SFC and listing process with SEHK, as well as advising on new business initiatives relating to regulatory and internal controls requirements. In 2015, Ms Chow is retitled as Head of Legal and Compliance in charge of Legal

and Compliance Department, meanwhile she assists CEO in overseeing the Company's middle to back office operations and corporate support teams.

Ms CHOW has over 20 years of experience in asset management industry, with more than 10 years of specialty compliance experience. As well, as a member of the management committees of her former employers, she had actively participated in managing the business. Before joining the Company, Ms CHOW was business manager and Executive Officer for RA Type 9 (Asset Management) with CIBC HK Branch. Prior to this, she was Deputy Managing Director of CIBC Global Asset Management (Asia) Limited (a licensed corporation with SFC for RA Type 9), acting also as designated compliance officer since 1999 and Responsible Officer in 2006. Ms CHOW holds a Bachelor Degree (Economics and Finance) from Simon Fraser University, Canada and LLB (Honours) from University of Wolverhampton, UK.”

The directors of the Manager accept responsibility of the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

17 June 2016



IMPORTANT: The Securities and Futures Commission takes no responsibility for the contents of this Notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Notice.

The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of its knowledge opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund (the “Sub-Fund”)

Announcements on Reduction of Trustee Fee

Issued by

**Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces that, with effect from and on 1 Jan 2015, the Trustee Fee in relation to the Sub-Fund has been reduced from 0.175% per annum to up to 0.15% per annum, subject to a minimum monthly fee of RMB40,000.00.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited

12 February 2016

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011, as amended from time to time (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

The Securities and Futures Commission takes no responsibility for the contents of this Addendum, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Addendum.

**Ping An of China Select Investment Fund Series –
RMB Bond Fund (the “Sub-Fund”)**

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**Fees**” in “Appendix I – Ping An of China SIF – RMB Bond Fund” of the Explanatory Memorandum, the disclosures regarding Trustee Fee shall be deleted in its entirety and replaced with the following:

“Trustee Fee (% Net Asset Value of the Sub-Fund)	Class A: up to 0.15% p.a., subject to a minimum monthly fee of RMB40,000.00”
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The directors of the Manager accept responsibility of the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

12 February 2016



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The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of its knowledge opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Directors

Issued by

**Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited

31 August 2015

IMPORTANT:

*This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “**Explanatory Memorandum**”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.*

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Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

YAO Jun
YAO Jason Bo
CAI Fangfang
CHAN Tak Yin
TUNG Hoi
WAN Fang
YU Wenjie
GAO Peng
HUANG Yong
TAN Sin Yin
CHANG Jack P
MAK Nixon Kim Ho

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:
 - a. The name “**TORNBERG Martin**” and the corresponding biographical details are deleted.
 - b. The name “**MAK Nixon Kim Ho**” and the following biographical details are inserted:

Mr. Mak joined Ping An of China Asset Management (Hong Kong) Co. Ltd. in 2008 and has over 16 years of experience in global financial markets. Mr. Mak is responsible for managing the HK-based investment team and their asset allocation process. He also manages overseas investment for the insurance units and offshore fixed income portfolios for both retail and institutional clients.

Prior to Ping An, Mr. Mak worked at AIG Global Investment Corp (Asia) as a Portfolio Manager, responsible for a number of multi-currency fixed income portfolios for AIA and Hong Kong MPF. Prior to this, he was an Assistant Portfolio Manager and Fixed Income Quantitative Analyst in Sydney at Futureplus Financial Services, which managed one of the biggest industries and semi-government funds in New South Wales (State). Mr. Mak also held

a number of positions in the investment management area at JPMorgan Investor Services, Schroders Investment and Rand Merchant Bank Australia. He received a Master of Commerce and a Bachelor of Information System degree from the University of New South Wales.

The directors of the Manager accept responsibility of the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

31 August 2015



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The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirm, having made all reasonable enquiries, that to the best of its knowledge opinions expressed in this Notice have been arrived at after due and careful consideration.

If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Directors

**Issued by
Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited

25 April 2014

IMPORTANT:

This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated April 2011 (the “Explanatory Memorandum”). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

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Ping An of China Select Investment Fund Series – RMB Bond Fund

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

YAO Jun

YAO Bo Jason

CAI Fangfang

CHAN Tak Yin

TUNG Hoi

WAN Fang

YU Wenjie

GAO Peng

HUANG Yong

TAN Sin Yin

TORNBERG Martin

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:

The name “**LIU Yuan Sheng**” and the corresponding biographical details are deleted.

The directors of the Manager accept responsibility of the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

25 April 2014



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If you are in doubt about the contents of this Notice, you should consult your financial planner, bank manager, solicitor, accountant or other professional adviser.

Ping An of China Select Investment Fund Series – RMB Bond Fund

Announcements on Change of Directors

**Issued by
Ping An of China Asset Management (Hong Kong) Company Limited
(as the Manager)**

The manager of the Ping An of China Select Investment Fund Series, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces a change in the composition of the board of directors of the Manager.

The Manager hereby issues an Addendum to the Explanatory Memorandum of the Ping An of China Select Investment Fund Series (the “**Addendum**”). The Addendum is available for viewing on the website of the Manager at <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>.

Investors who have any enquires regarding the above may contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>

Ping An of China Asset Management (Hong Kong) Company Limited

17 March 2014

IMPORTANT:

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**Ping An of China Select Investment Fund Series –
RMB Bond Fund**

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is hereby supplemented as follows:

1. Under the section headed “**ADMINISTRATION**” on page 1 of the Explanatory Memorandum, the directors of the Manager are amended and restated as follows:

Directors of the Manager

YAO Jun
YAO Bo Jason
CAI Fangfang
CHAN Tak Yin
TUNG Hoi
WAN Fang
YU Wenjie
GAO Peng
HUANG Yong
TAN Sin Yin
LIU Yuan Sheng
TORBERG Martin

2. Under the sub-section headed “**The Manager**” on page 6 of the Explanatory Memorandum:
 - (a) the name “**WANG Liping**” and the corresponding biographical details are deleted.
 - (b) the name “**RUDD Benjamin Jeremy Kenneth**” and the corresponding biographical details are deleted.

- (c) the name “**LIU Yuan Sheng**” and the following biographical details are inserted:

“LIU Yuan Sheng

Mr. LIU is Deputy General Manager of Planning Department in Ping An Insurance (Group) Company of China, Ltd. Mr. LIU joined Ping An in April 2003, graduated with a degree in Economics and Law from Tongji University in 1994. Mr. LIU has a master degree in Economics from Zhongnan University in 1999.”

- (d) the name “**TORNBERG Martin**” and the following biographical details are inserted:

“Martin TORNBERG

Mr. TORNBERG is the Head of Strategic Development and Investments in charge of all aspects of Ping An group’s overseas private equity business including managing a portfolio of Asia-focused direct private equity investments as well as provide management services of private funds for professional investors. Mr. TORNBERG joined Ping An in 2007 as a Director of Strategic Development and Investments after five years at Asian Development Bank (“ADB”), where he was responsible for direct investments in financial institutions and infrastructure projects, as well as for providing advice to Governments on capital markets and financial sector development. Prior to joining ADB, Mr. TORNBERG was a vice president for the investment company Speed Ventures, and an Associate in Merrill Lynch’s investment banking division in Hong Kong, Singapore and London, where he executed a variety of merger & acquisition and capital raisings in a range of industries and countries. Mr. TORNBERG holds an MSc (BA and Economics) from Stockholm School of Economics and a CEMS master from Ecole de Hautes Etudes Commerciales (HEC) in France.”

The directors of the Manager accept responsibility of the accuracy of the information contained in this Addendum as at the date of publication.

The Explanatory Memorandum may only be distributed if accompanied by this Addendum.

Ping An of China Asset Management (Hong Kong) Company Limited

17 March 2014



The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirms, having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

This document is important and requires your immediate attention. If you are in any doubt about the content of this document, you should consult your stockbroker, accountant, bank manager, financial planner, attorney, solicitor or other professional adviser.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s Explanatory Memorandum dated March 2013, as amended (the “**Explanatory Memorandum**”).

Dear Investors

**Ping An of China Select Investment Fund Series (the “Fund”) –
Ping An of China SIF – RMB Bond Fund (the “Sub-Fund”)**

We would like to inform you of the following changes to the Fund / Sub-Fund:-

Change of Switching Policy of the Sub-Fund

With effect from 4 March 2014, the switching policy of the Sub-Fund will be amended as underlined:

<u>Current Switching Policy</u>	<u>Switching Policy upon amendment</u>
Switching of Units of any class in the Ping An China SIF – RMB Bond Fund to or from Units of any other classes of other Sub-Funds (if any) of Ping An of China Select Investment Fund Series is not permitted.	<u>Switching of Units of any class in the Sub-Fund to or from Units of any other classes of the Sub-Fund or other Sub-Funds (if any) of Ping An of China Select Investment Fund Series is permitted, subject to the limitations as the Manager after consulting with the Trustee may impose from time to time as set out under the section “Switching Between Classes” in the main part of the Explanatory Memorandum or Appendix I and save that no switching is allowed to be made between Units denominated in RMB of the Sub-Fund and Units denominated in another currency of the Sub-Fund or other Sub-Funds (if any). Switching of RMB denominated Units in the Sub-Fund into RMB denominated Units in other Sub-Funds (if any), however, is permitted.</u>

Amendments to the Fund’s trust deed dated 11 April 2011 (as amended by way of First Supplemental Deed dated 11 April 2011) (the “Trust Deed”)

With effect from 4 March 2014, certain amendments will be made to the Trust Deed by way of a second supplemental deed dated 4 February 2014 (the “**Second Supplemental Deed**”).

Such amendments are made inter alia, to align with requirements of the SFC's Code on Unit Trusts and Mutual Funds and relevant regulatory requirements more closely.

The Trustee has certified that pursuant to Chapter 6.7 of the Code on Unit Trust and Mutual Funds of the SFC and Clauses 30.1(a) and (b) of the Trust Deed the amendments to the Trust Deed to be effected by way of the Second Supplemental Deed do not materially prejudice the interests of the Unitholders, do not operate to release to any material extent the Trustee or the Manager or any other person from any liability / responsibility to the Unitholders, will not result in any increase in the amount of costs and charges payable from the Fund (other than the costs, charges, fees and expenses incurred in connection with the Second Supplemental Deed) and/or is necessary to be made in order to make possible compliance with any fiscal, statutory or official requirements (whether or not having the force of law). Accordingly, pursuant to Clause 30.1 of the Trust Deed, such amendments to the Trust Deed do not require any Unitholders' prior approval or any extraordinary general meeting to be held.

A summary of changes to be made to the Trust Deed are as follows:-

- clarification relating to when a suspension of the calculation of Net Asset Value of a sub-fund of the Fund may be made (Clause 3.3(c));
- clarification that the Manager or the Trustee may only withhold redemption proceeds if required by laws and if acting in good faith and on reasonable grounds (Clause 10.4.6(c));
- clarification that the Manager may suspend the right of Unitholders to redeem their Units and / or delay the payment of any redemption proceeds during a suspension of calculation of Net Asset Value of a sub-fund of the Fund. However, payment of redemption proceeds will be made in accordance with Clause 10.4.6 of the Trust Deed if a proper request for redemption was received and fully processed before a declaration of suspension was made (Clause 10.5);
- clarification that the redemption gate which may be implemented at the Manager's discretion, with the approval of the Trustee, will apply both to Unitholders and the Manager (Clause 10.6);
- any custodian or co-custodian appointed by the Trustee will obtain no objection in writing from the Trustee for any appointment of a sub-custodian (other than the RQFII custodian) and will seek the prior consent in writing of the Trustee for the appointment of a RQFII custodian (Clauses 12.2 and 21.1);
- all references to Connected Persons transactions in the Trust Deed has been expanded to include the investment adviser (if any) and / or its Connected Persons (Clauses 12.5, 12.6, 12.8, 12.10, 12.11, 13.12, 14.1 and 14.8);
- clarification that any indemnity given to the Trustee or the Manager pursuant to the Trust Deed is in addition to and without prejudice to any indemnity allowed by law, provided that nothing in the Trust Deed can exempt them or indemnify them against any liability under the laws of Hong Kong or for breach of trust through fraud or negligence and neither the Trustee nor the Manager may be indemnified against liability by the Unitholders or at Unitholders' expense and corresponding update to related clauses to reflect the overriding effect of Clause 20.5 of the Trust Deed as amended (Clauses 20.5, 20.9, 20.13, 21.2, 21.5, 22.2);
- clarifications regarding the duties and obligations of the Trustee, namely, that the Trustee must also register cash and registrable assets in the name of or to the order of the Trustee and where borrowing is undertaken for a sub-fund of the Fund, for giving security in connection with such borrowing the assets of the relevant sub-fund may be registered in the lender's name or in that of a nominee appointed by the

lender. Further, the Trustee shall exercise reasonable care and diligence in the selection, appointment and ongoing monitoring of its delegates, agents, nominees, custodians, co-custodians, sub-custodians or RQFII custodian (“Correspondents”) and be satisfied that such Correspondents remain suitably qualified and competent to provide the relevant service to the Fund or any sub-fund of the Fund. As long as the Trustee has discharged such obligations, it will not be liable for any act or omission of any Correspondent that is not its Connected Person (Clause 21.1);

- clarification that section 41O of the Trustee Ordinance (as amended) shall not apply to the extent that is inconsistent with Clause 21.1 of the Trust Deed and/or with the Trustee’s duties and responsibilities under the SFC Handbook for Unit Trusts and Mutual Funds, Investment-Linked Assurance Schemes and Unlisted Structured Investment Products, and shall not in any way operate to exempt or diminish any liability of the Trustee as set out in Clause 20.5 of the Trust Deed (Clause 21.1);
- clarification that the Trustee will not be liable for (i) any act, omission, insolvency or bankruptcy of any recognised depository or clearing system approved by the Trustee and the Manager, including the Euroclear Clearing System Limited or Clearstream Banking S.A. or (ii) the custody or control of any assets under the custody or held by or on behalf of a lender pursuant to Clause 14.6 of the Trust Deed (Clause 21.1A);
- update to reflect that the Manager will fulfil the duties imposed on it by the laws of Hong Kong (Clause 22.6);
- update to the certification to be given by the Trustee to justify extraordinary resolution of Unitholders not required in relation to modifications to the Trust Deed (Clause 30.1(a));
- update to reflect that the Fund will be subject to the non-exclusive jurisdiction of Hong Kong courts (Clause 34); and
- update to voting practice (i.e. voting will only be taken on a poll where an Extraordinary Resolution is put to vote) (Clauses 8 and 12 of Schedule 3).

Revised offering documents and constitutive documents

The revised Trust Deed amended by way of Second Supplemental Deed to reflect the foregoing will be available at the office of the Manager at Suites 1106-1110, 11/F, Chater House, 8 Connaught Road Central, Hong Kong during normal office hours (Monday to Friday (excluding public holidays), from 9:00 a.m. to 5:30 p.m.) or online at <http://asset.pingan.com.hk>.

The Hong Kong offering documents of the Fund will be updated accordingly to reflect the proposed changes to the Trust Deed (where applicable) in due course.

If you have any queries or require further information in relation to any aspect of this notice, please contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>.

Yours faithfully

Ping An of China Asset Management (Hong Kong) Company Limited

4 February 2014



The Manager accepts full responsibility for the accuracy of the information contained in this Notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

This document is important and requires your immediate attention. If you are in any doubt about the content of this document, you should consult your stockbroker, accountant, bank manager, financial planner, attorney, solicitor or other professional adviser.

Capitalized terms used herein not otherwise defined have the meaning ascribed to those terms in the Fund’s Explanatory Memorandum dated March 2013 (the “**Explanatory Memorandum**”).

Dear Investors

**Ping An of China Select Investment Fund Series (the “Fund”) –
Ping An of China SIF- RMB Bond Fund (the “Sub-Fund”)**

We would like to inform you of the following change to the Sub-Fund:-

1. Change of Distribution Policy of the Sub-Fund & its Associated Risk

With effect from 31 May 2013, the distribution policy of the Sub-Fund will be amended as underlined:

<u>Current Distribution Policy</u>	<u>Distribution Policy upon amendment</u>
<p>The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. In the event that the Manager decides to make distribution of dividends, the distribution entitlements will be automatically re-invested in further Units of the Sub-Fund for the account of the Unitholder entitled to the distribution, unless instructions in writing to the contrary are received from the Unitholder at least 21 days prior to the relevant distribution date. It is currently intended that distributions will be made on a semi-annual basis (i.e. June and December each year) in the class currency of the relevant class. There is no guarantee of regular distribution and if distribution is made the amount being distributed. It is the current intention of the Manager that only the net income (the income net of expenses) of the Sub-Fund may be distributed. No distribution will be paid out of the Sub-Fund’s capital.</p>	<p>The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount dividends. In the event that the Manager decides to make distribution of dividends, the distribution entitlements will be automatically re-invested in further Units of the Sub-Fund for the account of the Unitholder entitled to the distribution, unless instructions in writing to the contrary are received from the Unitholder at least 21 days prior to the relevant distribution date. It is currently intended that distributions will be made on a semi-annual basis (i.e. June and December each year) in the class currency of the relevant class. There is no guarantee of regular distribution and if distribution is made, the amount being distributed. <u>While it is the current intention of the Manager to make distributions out of the net income (the income net expenses), 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 the 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.</u></p>

	<p><u>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 would be made available by the Manager on request and also on the following website: http://asset.pingan.com.hk/eng/funds.php?id=1#f5. Unitholders should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set under the sub-heading "Risks associated with distributions out of capital" under the section headed "Risk Factors" in the main part of the Explanatory Memorandum. 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.</u></p>
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Please note the following risk applicable to such change in distribution policy:

The Manager may at its discretion make distributions from capital or gross income in respect of all or certain classes of a Sub-Fund. 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 a Sub-Fund's capital or (as the case may be) payment of distributions effectively out of a Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit.

Investors should also refer to the Explanatory Memorandum for further details, including the risk factors applicable to such change in distribution policy.

Revised offering documents

The Explanatory Memorandum of the Fund, which will be effective on May 2013, will be revised to reflect the above changes and will be available at the office of the Manager at Suites 1106-1110, 11/F, Chater House, 8 Connaught Road Central, Hong Kong during normal office hours (Monday to Friday (excluding public holidays), from 9:00 a.m. to 5:30 p.m.) or online at <http://asset.pingan.com.hk>.

If you have any queries or require further information in relation to any aspect of this notice, please contact the Ping An of China Select Investment Fund Series Hotline at (+852) 3762 9228 or visit us at <http://asset.pingan.com.hk>.

Yours faithfully

Ping An of China Asset Management (Hong Kong) Company Limited

30 April 2013

IMPORTANT:

This Addendum is supplemental to and forms part of the Explanatory Memorandum of the Ping An of China Select Investment Fund Series dated March 2013 (the "Explanatory Memorandum"). Unless otherwise defined herein, words and expressions defined in the Explanatory Memorandum shall have the same meaning when used in this Addendum.

If you are in doubt about the contents of the Explanatory Memorandum and this Addendum, you should consult your financial planner, bank manager, solicitor or accountant or other financial adviser.

Ping An of China Select Investment Fund Series – (the "Fund") Ping An of China SIF- RMB Bond Fund (the "Sub-Fund")

Addendum to the Explanatory Memorandum

The Explanatory Memorandum is amended to reflect the following update :-

CHANGE IN DISTRIBUTION POLICY FOR THE SUB-FUND

An additional risk factor shall be inserted under the heading "**RISK FACTORS**" of the Explanatory Memorandum as follows:-

*"(xx) **Risks associated with distributions out of capital** – Subject to the disclosure in the relevant Appendix, distributions may be paid out of the capital of a Sub-Fund. The Manager may at its discretion make distributions from capital or gross income in respect of all or certain classes of a Sub-Fund. 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 a Sub-Fund's capital or (as the case may be) payment of distributions effectively out of a Sub-Fund's capital may result in an immediate reduction of the Net Asset Value per Unit."*

The paragraph under the section "**Distributions**" in "Appendix I – Ping An of China SIF – RMB Bond Fund" of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:-

"The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount dividends. In the event that the Manager decides to make distribution of dividends, the distribution entitlements will be automatically re-invested in further Units of the Sub-Fund for the account of the Unitholder entitled to the distribution, unless instructions in writing to the contrary are received from the Unitholder at least 21 days prior to the relevant distribution date. It is currently intended that distributions will be made on a semi-annual basis (i.e. June and December each year) in the class currency of the relevant class. There is no guarantee of regular distribution and if distribution is made, the amount being distributed. While it is the current intention of the Manager to make distributions out of the net income (the income net expenses), 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 the 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.

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 would be made available by the Manager on request and also on the following website: <http://asset.pingan.com.hk/eng/funds.php?id=1#f5>. Unitholders should be aware of the effects of making distributions out of capital and pay attention to the relevant risk disclosures as set

under the sub-heading “Risks associated with distributions out of capital” under the section headed “Risk Factors” in the main part of the Explanatory Memorandum. 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.”

May 2013

PING AN OF CHINA SELECT INVESTMENT FUND SERIES

EXPLANATORY MEMORANDUM

March 2013

IMPORTANT INFORMATION FOR INVESTORS

This Explanatory Memorandum comprises information relating to Ping An of China Select Investment Fund Series, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong by a trust deed dated 11 April 2011 between Ping An of China Asset Management (Hong Kong) Company Limited as manager and BOCI-Prudential Trustee Limited as trustee.

The Manager accepts full responsibility for the accuracy of the information contained in this Explanatory Memorandum, and confirms, having made all reasonable enquiries that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading. However, neither the delivery of this Explanatory Memorandum nor the offer or issue of Units shall under any circumstances constitute a representation that the information contained in this Explanatory Memorandum is correct as of any time subsequent to its date of publication. This Explanatory Memorandum may from time to time be updated. Intending applicants for Units should ask the Manager if any supplements to this Explanatory Memorandum or any later Explanatory Memorandum have been issued.

Distribution of this Explanatory Memorandum must be accompanied by a copy of the latest available annual report and accounts of the Fund (if any) and any subsequent interim report. Units are offered on the basis only of the information contained in this Explanatory Memorandum and (where applicable) the above mentioned annual reports and accounts and interim reports. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained in this Explanatory Memorandum should be regarded as unauthorised and accordingly must not be relied upon.

The Fund has been authorised by the SFC pursuant to section 104 of the SFO. SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

No action has been taken to permit an offering of Units or the distribution of this Explanatory Memorandum in any jurisdiction other than Hong Kong where action would be required for such purposes. Accordingly, this Explanatory Memorandum may not be used for the purpose of an offer or solicitation in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised.

In particular:-

- (a) the Units have not been registered under the United States Securities Act of 1933 (as amended) and, except in a transaction which does not violate such Act, may not be directly or indirectly offered or sold in the United States of America, or any of its territories or possessions or areas subject to its jurisdiction, or for the benefit of a US Person (as defined in Regulation S under such Act); and
- (b) the Fund has not been and will not be registered under the United States Investment Company Act of 1940 as amended.

Potential applicants for Units should inform themselves as to (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Units.

Investment involves risk and investors should note that losses may be sustained on their investment. There is no assurance that the investment objective of the respective Sub-Fund will be achieved. Investors should read the Explanatory Memorandum, particularly the section headed “Risk Factors” and the risk factors (if any) set out in the relevant Appendix, before making their investment decisions.

Important - If you are in any doubt about the contents of this Explanatory Memorandum, you should seek independent professional financial advice.

Each Sub-Fund is subject to market fluctuations and to the risks inherent in all investments. The price of Units of any Sub-Fund and the income from them may go down as well as up.

Investors may contact the Manager for any queries or complaints in relation to any Sub-Fund. To contact the Manager, investors may either:

- write to the Manager (address at Suites 1106-1110, 11/F, Chater House, 8 Connaught Road Central, Hong Kong); or

- call the Manager's Customer Service Hotline: +852 3762 9228.

The Manager will aim to respond by phone or in writing within 10 Business Days of receiving the enquiry or complaint.

INTRODUCTION

- This Explanatory Memorandum and the Product Key Facts Statement together form part of the offering document of Ping An of China Select Investment Fund Series, and its initial Sub-Fund, Ping An of China SIF- RMB Bond Fund.
- Ping An of China SIF- RMB Bond Fund aims to provide total returns comprised of interest income and capital growth by investing principally in RMB denominated fixed or floating rate debt securities which may be settled in RMB or other currencies issued in Hong Kong or elsewhere. It may also invest in RMB denominated deposits issued outside mainland China, such as bank certificates of deposit, bank deposits and negotiated term deposits with banks, and other instruments such as convertible bonds, commercial papers and short term bills and notes, also issued outside mainland China.
- Information relating to Ping An of China SIF- RMB Bond Fund is set out in Appendix I of this Explanatory Memorandum. Investors should refer to the relevant risks under the section headed “Specific Risk Factors” on page 53 and those under the section headed “Risk Factors” on page 30 in the main part of this Explanatory Memorandum before making any investment decisions.

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ADMINISTRATION

Manager

Ping An of China Asset Management (Hong
Kong) Company Limited
Suites 1106-1110
11/F, Chater House
8 Connaught Road Central
Hong Kong

Directors of the Manager

Ms. WANG Liping
Mr. YAO Jun
Mr. YAO Bo Jason
Ms. CAI Fangfang
Mr. CHAN Tak Yin
Mr. RUDD Benjamin Jeremy Kenneth
Mr. TUNG Hoi
Mr. WAN Fang
Ms. YU Wenjie
Mr. GAO Peng
Mr. HUANG Yong
Ms. TAN Sin Yin

Trustee and Registrar

BOCI-Prudential Trustee Limited
12/F & 25/F, Citicorp Centre
18 Whitfield Road
Causeway Bay
Hong Kong

Custodian

Bank of China (Hong Kong) Limited
14/F, Bank of China Tower
1 Garden Road
Hong Kong

Auditors

Ernst & Young
18/F, Two International Finance Centre
8 Finance Street
Central
Hong Kong

Solicitors to the Manager

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

DEFINITIONS

The defined terms used in this Explanatory Memorandum have the following meanings:-

- “A-Shares”** means securities of companies incorporated in China and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in RMB and available for investment by domestic investors and QFIIs
- “Accounting Date”** 30 June in each year or such other date or dates in each year as the Manager may from time to time specify in respect of any Sub-Fund and notify to the Trustee and the Unitholders of such Sub-Fund
- “Accounting Period”** a period commencing on the date of establishment of the relevant Sub-Fund or on the date next following an Accounting Date of the relevant Sub-Fund and ending on the next succeeding Accounting Date for such Sub-Fund
- “Authorised Distributor”** any person appointed by the Manager to distribute Units of some or all of the Sub-Funds to potential investors
- “B-Shares”** means securities of companies incorporated in China and listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currency and available for investment by domestic and foreign investors
- “Business Day”** a day (other than a Saturday) on which banks in Hong Kong are open for normal banking business or such other day or days as the Manager and the Trustee may agree from time to time, provided that where as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager and the Trustee determine otherwise
- “China”, “mainland China” or “PRC”** the People’s Republic of China excluding Hong Kong, Macau and Taiwan for purpose of this document

“connected person”	<p>in relation to the Manager, means:</p> <ul style="list-style-type: none"> (a) any person, company or fund beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of the Manager or being able to exercise, directly or indirectly, 20% or more of the total votes in the Manager; or (b) any person, company or fund controlled by a person who or which meets one or both of the descriptions given in (a); or (c) any member of the group of which the Manager forms part; or (d) any director or officer of the Manager or of any of its connected persons as defined in (a), (b) or (c) above; or (e) in relation to any Investment Fund which is for the time being authorised pursuant to section 104 of the Securities and Futures Ordinance, such person as may be specified by the Code on Unit Trusts and Mutual Funds;
“Custodian”	Bank of China (Hong Kong) Limited
“Dealing Day”	the days on which Units are subscribed for or redeemed, as described in the Appendix for the relevant Sub-Fund(s)
“Dealing Deadline”	4:00 p.m. (Hong Kong time) on a Dealing Day or such other time or other Business Day as the Manager may from time to time with the approval of the Trustee determine, as described in the Appendices for the relevant Sub-Funds
“Explanatory Memorandum”	this Explanatory Memorandum including the Appendices, as each may be amended, updated or supplemented from time to time

“Fund”	Ping An of China Select Investment Fund Series
“H-Shares”	means securities of companies incorporated in China and listed on the Hong Kong Stock Exchange
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$ or HKD”	Hong Kong Dollars, the lawful currency of Hong Kong
“Issue Price”	in respect of each Sub-Fund the issue price per Unit as more fully described in the section “Purchase of Units”
“Manager”	Ping An of China Asset Management (Hong Kong) Company Limited
“Net Asset Value”	the net asset value of the Fund or a Sub-Fund or of a Unit, as the context may require, calculated in accordance with the provisions of the Trust Deed as summarised below under the section headed “Valuation”
“Redemption Price”	the price at which Units will be redeemed as more fully described in the section headed “Redemption of Units”
“Registrar”	BOCI-Prudential Trustee Limited in its capacity as registrar of the Fund
“RMB” or “Renminbi”	renminbi, the currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Laws of Hong Kong (Chapter 571)
“Sub-Fund”	a separate pool of assets of the Fund that is invested and administered separately
“Trust Deed”	the trust deed dated 11 April 2011 establishing the Fund and entered into by the Manager and the Trustee

“ Trustee ”	BOCI-Prudential Trustee Limited in its capacity as trustee of the Fund
“ Unit ”	a unit in a Sub-Fund
“ Unitholder ”	a person registered as a holder of a Unit
“ US\$ or USD ”	the lawful currency of the United States of America
“ Valuation Day ”	each Dealing Day or such other day as the Manager may from time to time determine as described in the Appendix for the relevant Sub-Fund(s)
“ Valuation Point ”	the close of business in the last of the relevant market to close on each Valuation Day or such other time on such other day as the Manager may from time to time determine, as described in the Appendix for the relevant Sub-Fund to calculate the Net Asset Value

THE FUND

Ping An of China Select Investment Fund Series is an open-ended unit trust established as an umbrella fund pursuant to the Trust Deed and governed by the laws of Hong Kong. All Unitholders are entitled to the benefit of, are bound by and deemed to have notice of the provisions of the Trust Deed.

The Manager may create further Sub-Fund(s) in the future. Investors should contact the Manager to obtain the latest offering document relating to the available Sub-Fund(s).

Multiple classes of Units may be issued in respect of each Sub-Fund and the Manager may create additional classes of Units for any Sub-Fund(s) in its sole discretion in the future. The assets of each Sub-Fund will be invested and administered separately from the assets of the other Sub-Fund(s). The details of the Sub-Fund(s) and/or the new class or classes of Units related thereto that are on offer are set out in the Appendices to this Explanatory Memorandum.

INVESTMENT OBJECTIVE

The Fund currently offers one Sub-Fund, Ping An of China SIF- RMB Bond Fund, and is anticipated to offer a range of Sub-Funds, each with different investment objectives and policies as specified in the relevant Appendix hereto relating to the Sub-Fund.

MANAGEMENT OF THE FUND

The Manager

The Manager of the Fund is Ping An of China Asset Management (Hong Kong) Company Limited.

The Manager is a wholly owned subsidiary of China Ping An Insurance Overseas (Holdings) Limited which in turn is a wholly owned subsidiary of Ping An Insurance (Group) Company of China, Ltd. The Manager is licensed to conduct Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 9 (asset management) regulated activities as defined in Schedule 5 of the SFO.

Details of the directors of the Manager are as follows:-

WANG Liping

Senior Vice President of Ping An Insurance (Group) Company of China, Ltd. since January 2004, Ms. Wang joined Ping An in June 1989 and served as Vice Chief Insurance Business Officer from July 2006 to January 2007. From August 2005 to July 2006, Ms. Wang was the Chairman and President of Ping An Annuity. From 2002 to 2004, she served as the Chairman and Chief Executive Officer of Ping An Life. From 1998 to 2002, she served as Vice President and Senior Vice President of the group successively. From 1995 to 1997, she served as the General Manager of the Management Department and Vice President of the life insurance business of the group. From 1994 to 1995, she served as the President of the Securities Department of the group. Ms. Wang has a Master's degree in Monetary & Banking from Nankai University.

YAO Jun

Secretary of the Board of Ping An Insurance (Group) Company of China, Ltd. since October 2008, Chief Legal Officer since September 2003, General Manager of Legal Department of the group since April 2007, and Joint Company Secretary from June 2004 to May 2008, Mr. Yao joined Ping An in September 2003. He was previously a partner of Commerce & Finance Law Offices. Mr. Yao is a Fellow of The Institute of Chartered Secretaries and Administrators (FCIS) and Fellow of The Hong Kong Institute of Chartered Secretaries (FCS), and has an L.L.M. degree from Peking University.

YAO Bo Jason

Mr. Yao has been an Executive Director since June 2009. Mr. Yao has been the Chief Financial Officer and Vice General Manager of Ping An Insurance (Group) Company of China, Ltd. since April 2010 and June 2009, respectively, served as the General Manager of the Corporate Planning Department of the company since February 2004, and has also been a Non-executive Director of Shenzhen Development Bank since June 2010. Mr. Yao joined the company in May 2001, and served as the Financial Principal of the company from March 2008 to April 2010, Vice Chief Financial Officer from February 2004 to January 2007, Chief Actuarial Officer from January 2007 to June 2010, Vice Chief Actuarial Officer from December 2002 to January 2007 and Vice General Manager of the Product Centre of Ping An Insurance Company of China, Ltd. from 2001 to 2002. Prior to that, Mr. Yao served in Deloitte Touche Tohmatsu as a Senior Manager of actuarial consultancy. Mr. Yao is a Fellow of the Society of Actuaries (FSA) and a Member of American Academy of Actuary (MAAA), and holds an MBA degree from New York University.

CAI Fangfang

Ms. Cai has been the General Manager of Ping An Insurance (Group) Company of China, Ltd., Compensation & Planning Department, since February 2010 and Deputy General Manager since September 2009. Before that, Ms. Cai served in the Group Centre of Human Resources in Investment Business. She joined Ping An in July 2007. Before joining Ping An, she worked in Societe General, KBC Bank NV, Echo Investment, BSI and Watson Wyatt. Ms. Cai holds a Master Degree of International Accounting from University of New South Wales, Australia.

CHAN Tak Yin

Chairman and Chief Executive Officer of Ping An Asset Management Co., Ltd since 2006, Vice Chief Investment Officer of Ping An Insurance (Group) Company of China, Ltd. and Chairman of Ping An of China Asset Management (Hong Kong) Co. Ltd since 2008, Mr. Chan joined the group in 2005. Before joining the group, he worked in various financial institution including SHK, BNP PARIBAS and Barclays. Mr. Chan holds a Bachelor Degree of Arts from University of Hong Kong.

RUDD Benjamin Jeremy Kenneth

Mr. Rudd has been the Executive Director and Head of Overseas Investment at Ping An of China Asset Management (HK) since September 2010 and April 2010. He oversees the Hong Kong based investment team and directly manages several portfolios. Mr. Rudd is a member of the Shanghai based Asset Allocation committee for Ping An. Mr. Rudd joined Ping An in September 2008 as Head of Global Investment Strategy. Before joining the group, he held a number of positions including director at the private wealth company Acacia Asset Management in London where he managed the investment team and absolute return portfolios, Head of Macro Research (London) and Portfolio Manager at Caxton Asset Management in London, Head of Asia Pacific Investment Strategy for ABN AMRO Asia in Hong Kong and Head of Emerging Markets Strategy and Global Multi-Asset Strategist at HSBC Investment Bank in London. Mr. Rudd has a M.Sc. in Economics from the School of Oriental and African Studies (SOAS), University of London and is a CFA charterholder.

TUNG Hoi

Mr Tung has been Chairman and Chief Executive Officer of China Ping An Trust Co., Ltd. since September 2004. Prior to joining Ping An, Mr. Tung was an executive director of Goldman Sachs (Asia) L.L.C., advising major financial institutions in the Asia Pacific region on restructuring, mergers and acquisitions, and capital markets activities. From 1995 to 1998, he was a management consultant with McKinsey & Company. Mr. Tung holds a Master's degree in Engineering Science from the University of Oxford and an MBA from INSEAD.

WAN Fang

The General Manager of Ping An Asset Management Co. Ltd since April 2007, Mr. Wan joined Ping An in 1993. He was previously the Vice General Manager of Ping An Future, the General Manager of Ping An Securities branch, the Vice President of Investment Banking

Department of Ping An Securities, Director of Board Office of the Ping An Group. Mr. Wan has a Master's degree in Automation Control from Huazhong University of Science and Technology.

YU Wenjie

Ms Yu has been the Deputy General Manager of Ping An Asset Management Co., Ltd since May 2005. Ms. Yu joined the Ping An group in March 1993. From August 2003 to May 2005, Ms. Yu was Vice President of Ping An Asset Management Center and Head of Credit Evaluation Group of Ping An Investment Committee. Prior to that, she served as Deputy General Manager of Bond Investment Department of Ping An Asset Management Center from February 1998 to August 2002, and from June 1994 to February 1998 as Assistant General Manager of Asset Management Department of Ping An Securities Company. When she first joined, she was engaged in investment banking as project manager of Ping An Securities Company from March 1993 to June 1994. Ms. Yu has a Master's Degree from Zhejiang University.

GAO Peng

Mr. Gao is currently the Deputy General Manager at the Remuneration Planning Department of the Human Resource Center of Ping An Insurance (Group) Company of China, Ltd. Mr. Gao joined Xinjiang Branch of Ping An Life Insurance Company of China, Ltd. in year 2000. He had served as Deputy General Manager of the business area, Assistant Manager of Marketing Management Department, and Assistant Manager of Yining sub-branch. In 2007, Mr. Gao was transferred to Ping An Group's headquarter. Since then, he had served in different departments as Manager of Performance Management Office of Ping An Group's Talent Performance Management Department, Deputy General Manager of Employee Service Management Department and Deputy General Manager of Talent Performance Management Department. Before joining Ping An, he was Deputy Director of the Program Department at Yili People's Broadcasting Station from 1996 to 2000. Mr. Gao has a junior college degree in Education from Karamay College (1996) and holds a Bachelor's degree in Economics from Zhejiang University (2005).

HUANG Yong

Mr. Huang has been the Deputy General Manager of Ping An Asset Management Company since June 2006. He joined Ping An Group in October 1996, previously served as General Manager of Fixed Income Department at Asset Operation Center of Ping An Group, General

Manager of Fixed Income Department / International Business Department of Ping An Asset Management Company. With years of insurance asset investment and management experience in Ping An, Mr. Huang has won the honor of “Top 10 Outstanding Manager” of Ping An Group in 2006. Mr. Huang has the Master’s degree of Materials Science in South China University and EMBA of China Europe International Business School.

TAN Sin Yin

Ms. Tan is the Chief Information Officer of Ping An Insurance (Group) Company of China, Limited and President and Chief Executive Officer of Ping An Technology (Shenzhen) Company Limited. Ms. Tan joined Ping An Group in January 2013. Before joining Ping An Group, she was the Partner at McKinsey & Company. Ms. Tan graduated from Massachusetts Institute of Technology (MIT) with three degrees which were the Master of Engineering in Electrical Engineering and Computer Science, Bachelor of Science in Electrical Science and Engineering and Bachelor of Science in Economics respectively.

The Trustee and the Registrar

BOCI-Prudential Trustee Limited, which is a registered trust company in Hong Kong, has been appointed as Trustee and Registrar of the Fund.

The Trustee is a joint venture founded by BOC Group Trustee Company Limited and Prudential Corporation Holdings Limited. BOC Group Trustee Company Limited is owned by Bank of China (Hong Kong) Limited and BOC International Holdings Limited, which are subsidiaries of Bank of China Limited.

Under the Trust Deed, the Trustee is responsible for the safe-keeping of the assets of the Fund and monitoring the compliance by the Manager with the requirements of the Trust Deed. As the Registrar of the Fund, BOCI-Prudential Trustee Limited will be responsible for maintaining the register of Unitholders.

The Custodian

Bank of China (Hong Kong) Limited (“BOCHK”) has been appointed as the custodian of the Fund.

BOCHK was incorporated in Hong Kong on 16 October, 1964. As a locally incorporated licensed bank, it was re-structured to the present form since 1 October 2001 by combining the businesses of ten of the twelve banks in Hong Kong originally belonging to the Bank of China Group. In addition, it holds shares in Nanyang Commercial Bank Limited and Chiyu Banking Corporation Limited, both of which are incorporated in Hong Kong, as well as BOC Credit Card (International) Limited.

BOC Hong Kong (Holdings) Limited was incorporated in Hong Kong on 12 September 2001 to hold the entire equity interest in BOCHK, its principal operating subsidiary. After a successful global IPO, BOC Hong Kong (Holdings) Limited began trading on the Main Board of the Stock Exchange of Hong Kong Limited on 25 July 2002 with stock code "2388" and became a Hang Seng Index constituent stock on 2 December 2002.

With a network of over 280 branches, servicing more than 600,000 corporates and 2 million retail customers, BOCHK is the second largest banking group in Hong Kong as of 30 June 2010. It offers a full range of banking services, including global custody and also fund services for institutional clients.

Pursuant to a custodian agreement, the Custodian will act as the custodian of the Fund’s assets, which will be held directly by the Custodian or through its agents, sub-custodians, or delegates pursuant to the custodian agreement.

The Authorised Distributor

The Manager may appoint one or more Authorised Distributor(s) to distribute Units of one or more Sub-Fund(s), and to receive applications for subscription, redemption and/or switching of Units on the Manager’s behalf.

The Auditor

Ernst & Young has been appointed to act as the auditor to the Fund and its sub-funds.

The engagement letter entered into by the Fund, its sub-funds and the auditor contains provisions limiting the liability of the auditor to one set of fees paid to the auditor for the services or work product giving rise to the liability of one year except to the extent finally determined to have resulted from the wilful or intentional negligence or misconduct, or fraudulent behaviour of the auditor. Other release and indemnity provisions are also contained in the engagement letter relating to consequential loss, third party claims and fraudulent acts or omissions, misrepresentations or wilful default on the part of the Manager, its directors, employees or agents.

The engagement letter also contains provisions limiting any claim for breach of contract, breach of duty or fault or negligence or otherwise whatsoever arising out or in connection with this engagement to be brought against the auditor within one year after the date on which the Manager became aware, or ought reasonably to have become aware, of the facts giving rise to any alleged liability of the auditor and, in any event, no later than three years after: (i) the completion of the audit services giving rise to the claim; or (ii) the earlier termination of the agreement for any reason.

CLASSES OF UNITS

Different classes of Units may be offered for each Sub-Fund. Although the assets attributable to each class of Units of a Sub-Fund will form one single pool, each class of Units may be denominated in a different currency or may have a different charging structure with the result that the net asset value attributable to each class of Units of a Sub-Fund may differ. In addition, each class of Units may be subject to different minimum initial and subsequent subscription amounts and holding amounts, and minimum redemption and switching amounts. Investors should refer to the relevant Appendix for the available classes of Units and the applicable minimum amounts. The Manager may in its discretion agree to accept applications for subscription, redemption and switching of certain classes below the applicable minimum amounts.

DEALING DAY AND DEALING DEADLINE

The Manager may from time to time with the approval of the Trustee determine generally or in relation to any particular jurisdiction the time on such Dealing Day or on such other Business Day (on which Units may from time to time be sold) prior to which instructions for subscriptions, redemptions or switching are to be received in order to be dealt with on a particular Dealing Day. The Dealing Days and the relevant Dealing Deadlines for each Sub-Fund are set out in the relevant Appendix.

Subscription, switching and redemption of Units may also be placed through Authorised Distributor(s) or through other authorised and/or electronic means from time to time determined by the Manager. Investors should note the application through such means may involve different dealing procedures. Further, the Authorised Distributor(s) may impose an earlier cut-off time before the Dealing Deadline for receiving instructions for subscriptions, redemptions or switching. Investors should confirm with the Authorised Distributor(s) concerned the arrangements and the dealing procedures that are applicable to them.

PURCHASE OF UNITS

Initial Offer

Details of the initial offer of Units are set forth in the Appendix relating to the relevant Sub-Fund.

Subsequent Subscription

Following the close of the initial offer period, Units will be issued at the prevailing Issue Price per Unit. The Issue Price on any Dealing Day will be the Net Asset Value of the relevant class of Units of the Sub-Fund as at the Valuation Point in respect of the Dealing Day divided by the number of such class of Units then in issue, rounded down to 2 decimal places. Any rounding adjustment shall be retained for the benefit of the relevant Sub-Fund. In calculating the Issue Price, the Manager may impose surcharges to compensate for the difference between the price at which assets of the relevant Sub-Fund are to be valued and the total cost of acquiring such assets including other relevant expenses such as taxes, governmental charges, brokerages, etc.

Unless otherwise disclosed in the Appendix of a Sub-Fund, applications for subscription of any class of Units in a Sub-Fund (together with application moneys), if received prior to the Dealing Deadline and accepted by the Manager, will be dealt with on that Dealing Day. Applications received after the Dealing Deadline in relation to a Dealing Day will be held over until the next Dealing Day. The Manager has the discretion to accept applications and/or application moneys received after the Dealing Deadline.

Units may not be issued during the period of any suspension of the determination of the Net Asset Value relating to such class of Units of a Sub-Fund (for details see the section below headed "Suspension of Calculation of Net Asset Value").

Application Procedure

To purchase Units an investor should complete the application form, which may be obtained from the Manager or the Authorised Distributors (the “**Application Form**”), and return the Application Form together with the subscription moneys to the Authorised Distributors (details of which as set out in the Application Form). Further supporting documents (described in the Application Form) should also be provided together with the Application Form.

The Application Form may also be sent by facsimile or any other means as agreed by the Manager or the Trustee unless the original is required by the Manager or the Trustee. Investors should be reminded that if they choose to send the Application Forms by facsimile or electronic means, they bear their own risk of such applications not being received. Investors should note that the Fund, the Sub-Funds, the Manager, the Trustee and their respective agents and delegates accept no responsibility for any loss caused as a result of non-receipt or illegibility of any application sent by facsimile or electronic means or for any loss caused in respect of any action taken as a consequence of such instructions believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent. Investors should therefore for their own benefit confirm with the Manager safe receipt of an application.

Each applicant whose application is accepted will be sent a contract note confirming details of the purchase of Units but no certificates will be issued.

The Manager, at its discretion, is entitled to impose a preliminary charge of up to 5.0% on the Issue Price of each Unit or the total subscription amount received in relation to an application, and the current rates are described in the relevant Appendix for each Sub-Fund. The Manager may retain the benefit of such charge or may re-allow or pay all or part of the preliminary charge (and any other fees received) to intermediaries or such other persons as the Manager may at its absolute discretion determine. The Manager also has discretion to waive the preliminary charge in whole or in part in relation to any subscription for Units whether generally or in a particular case.

Investment Minima

Details of the minimum initial subscription, minimum holding amount, minimum subsequent subscription and minimum redemption amounts applicable to each class of Units in each Sub-Fund are set out in the relevant Appendix.

The Manager has the discretion to waive, change or accept an amount lower than the above amounts, whether generally or in a particular case.

Payment Procedure

Applications will generally be accepted on a Dealing Day only if application moneys have been received on or prior to such Dealing Day in relation to which Units are to be issued. Notwithstanding the above, a Sub-Fund may rely upon application form received and may issue Units to investors according to such application form and invest the expected application amounts. If payment is not cleared within 4 Business Days following the relevant Dealing Day (or such other date as the Manager shall determine and notify the relevant applicant at the time of receipt of the application), the Manager reserves the right to cancel the transaction. In such circumstances, an investor may be required to settle the difference between the prices at issue and at cancellation of the Units concerned and in addition the appropriate cancellation fees and charges.

Subscription moneys should be paid in the relevant class currency as disclosed in the relevant Appendix. Unless otherwise specified in the relevant Appendix relating to a Sub-Fund and subject to the agreement of the Trustee or the Manager, and to applicable limits on foreign exchange, arrangements can be made for applicants to pay for Units in most other major currencies and in such cases, the cost of currency conversion will be borne by the applicant. Currency conversion will be subject to availability of the currency concerned.

All payments should be made by cheque, direct transfer, telegraphic transfer or banker's draft. Cheques and banker's drafts should be crossed "a/c payee only, not negotiable" and made payable to the Trustee ("BOCI-Prudential Trustee Limited") and stating the name of the relevant Sub-Fund to be subscribed as specified in the Application Form, and sent with the Application Form. Payment by cheque is likely to cause delay in receipt of cleared funds and Units generally will not be issued until the cheque is cleared. Any costs of transfer of application moneys to a Sub-Fund will be payable by the applicant.

Details of payments by telegraphic transfer are set out in the Application Form.

All application moneys must originate from an account held in the name of the applicant. No third party payments shall be accepted. The applicant will bear the primary responsibility for providing sufficient evidence of the payment source.

No money should be paid to any intermediary in Hong Kong who is not licensed by or registered with the SFC to conduct Type 1 (Dealing in Securities) regulated activity under Part V of the SFO.

General

All holdings will be held for investors in registered form and no certificates will be issued. Evidence of title will be the entry on the register of Unitholders. Unitholders should therefore be aware of the importance of ensuring that the Manager and the Trustee are informed of any change to the registered details.

Fractions of Units may be issued rounded down to 2 decimal places. Application moneys representing smaller fractions of a Unit will be retained by the relevant Sub-Fund. The Manager reserves the right to reject any application in whole or in part. In the event that an application is rejected, application moneys will be returned without interest by cheque through the post or by telegraphic transfer to the bank account from which the moneys originated at the risk and expense of the applicants (or in such other manner determined by the Manager and the Trustee). A maximum of 4 persons may be registered as joint Unitholders.

REDEMPTION OF UNITS

Redemption Procedure

Unitholders who wish to redeem their Units may do so on any Dealing Day by submitting a redemption request to the Authorised Distributors before the Dealing Deadline for the relevant Sub-Fund, as defined in the relevant Appendix. Unless otherwise stated in the Appendix of the relevant Sub-Fund, redemption requests received after the Dealing Deadline will be carried forward and dealt with on the next following Dealing Day, subject to the Manager's discretion to accept late redemption requests.

Partial redemptions may be effected subject to any minimum redemption amount for each class of Units of a Sub-Fund as disclosed in the relevant Appendix or as the Manager may determine from time to time whether generally or in a particular case.

If a request for redemption will result in a Unitholder holding Units in a class to the value of less than the minimum holding amount of that class as set out in the relevant Appendix of a Sub-Fund, the Manager may deem such request to have been made in respect of all the Units of that class held by that Unitholder. The Manager has the discretion to waive the requirement for a minimum holding amount of Units, whether generally or in a particular case.

A redemption request may also be sent by facsimile or other means as agreed by the Manager or the Trustee, unless the original is required by the Manager or the Trustee, and must specify (i) the name of the Sub-Fund and the value or number of Units to be redeemed (ii) the relevant class of Units to be redeemed (iii) the name(s) of the registered holder(s); and (iv) the payment instructions for the redemption proceeds. Investors should be reminded that if they choose to send redemption requests by facsimile or electronic means, they bear their own risk of the requests not being received or illegible. Investors should note that the Fund, the Sub-Funds, the Manager, the Trustee and their respective agents and delegates accept no responsibility for any loss caused as a result of non-receipt or illegibility of any redemption request sent by facsimile or electronic means or for any loss caused in respect of any action taken as a consequence of such instructions believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a transmission report produced by the originator of such transmission discloses that such transmission was sent. Investors should therefore for their own benefit confirm with the Manager safe receipt of a request.

A request for redemption once given cannot be revoked without the consent of the Manager.

Payment of Redemption Proceeds

The Redemption Price on any Dealing Day shall be the price per Unit ascertained by dividing the Net Asset Value of the relevant class of the Sub-Fund as at the Valuation Point in respect of the Dealing Day by the number of such class of Units then in issue rounded down to 2 decimal places. Any rounding adjustment shall be retained by the relevant Sub-Fund. Such price shall be calculated in the base currency of the relevant Sub-Fund and quoted by the Manager in such base currency and in such other currency or currencies at the Manager's discretion (with prior notice to the Trustee) by converting such price to its equivalent in such other currency or currencies at the same rate as the Manager shall apply in calculating the Net

Asset Value as at the Valuation Point. In calculating the Redemption Price, the Manager may impose deductions to compensate for the difference between the price at which assets of the relevant Sub-Fund are to be valued and the net proceeds which would be received on sale of such assets and for the relevant expenses such as taxes, governmental charges, brokerages, etc.

The Manager may at its option impose a redemption charge of up to 4.0% of the Redemption Price of the relevant class of Units to be redeemed. The redemption charge, if any, is described in the relevant Appendix. The Manager may on any day in its sole and absolute discretion differentiate between Unitholders as to the amount of the redemption charge to be imposed (within the permitted limit).

The amount due to a Unitholder on the redemption of a Unit pursuant to the paragraphs above shall be the Redemption Price per Unit, less any redemption charge and any rounding adjustment in respect thereof. The rounding adjustment aforesaid in relation to the redemption of any Units shall be retained as part of the relevant Sub-Fund. The redemption charge shall be retained by the Manager for its own use and benefit.

Redemption proceeds will not be paid to any redeeming Unitholder until the signature of the Unitholder (or each joint Unitholder) has been verified to the satisfaction of the Trustee, where redemption proceeds are to be paid by telegraphic transfer.

The Manager or the Trustee, as the case may be, may, in its absolute discretion, refuse to make a redemption payment to a Unitholder if (i) the Manager or the Trustee, as the case may be, suspects or is advised that the payment of any redemption proceeds to such Unitholder may result in a breach or violation of any anti-money laundering law by any person in any relevant jurisdiction or other laws or regulations by any person in any relevant jurisdiction, or such refusal is considered necessary or appropriate to ensure the compliance by the Fund, the Manager, the Trustee or its other service providers with any such laws or regulations in any relevant jurisdiction; or (ii) there is a delay or failure by the redeeming Unitholder in producing any information or documentation required by the Trustee and/or the Manager or their respective duly authorised agent for the purpose of verification of identity.

In the event that there is a delay in receipt by the Manager or the Trustee of the proceeds of realisation of the investments of the relevant Sub-Fund to meet redemption requests, the Manager or the Trustee may delay the payment of the relevant portion of the amount due on the redemption of Units. If the Manager or the Trustee is required by the laws of any relevant jurisdiction to make a withholding from any redemption moneys payable to the holder of a Unit the amount of such withholding shall be deducted from the redemption moneys

otherwise payable to such person. Where the market(s) in which a substantial portion of the investments of the relevant Sub-Fund is made is subject to such legal or regulatory requirements (such as foreign currency controls) rendering the payment of such amounts not practicable, payment may be delayed but the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant markets.

Subject as mentioned above and so long as relevant account details have been provided, redemption proceeds will normally be paid in the class currency of the relevant class of Units, provided that the Manager may pay in the base currency of a Sub-Fund (such as when there is insufficient class currency for currency conversion), by direct transfer or telegraphic transfer, normally within 7 Business Days after the relevant Dealing Day (or as otherwise specified in the Appendix of the relevant Sub-Fund) and in any event within one calendar month of the relevant Dealing Day or (if later) receipt of a properly documented request for redemption of Units, unless the market(s) in which a substantial portion of investments is made is subject to legal or regulatory requirements (such as foreign currency controls), rendering the payment of the redemption money within the aforesaid time period not practicable. In such case, the extended time frame for payment should reflect the additional time needed in light of the specific circumstances in the relevant market(s).

Unless the Manager and the Trustee otherwise agree, redemption proceeds will only be paid to a bank account that bears the name of the redeeming Unitholder. If relevant account details are not provided, redemption proceeds will be paid to the redeeming Unitholder (or to all joint Unitholders in case of joint Unitholders) at the Unitholder's risk by cheque, usually in the base currency or the class currency of the relevant class of Units and sent to the redeeming Unitholder at the last known address held in the records of the Registrar. Any unclaimed redemption proceeds shall become part of the assets of the Sub-Fund seven years from the day on which such proceeds are payable.

Unless otherwise specified in the relevant Appendix relating to a Sub-Fund and subject to the agreement of the Trustee or the Manager, and to applicable limits on foreign exchange, redemption proceeds can be paid in a currency other than the base currency or the class currency of a Unit at the request and expense of the Unitholder. In such circumstances, the Trustee or the Manager shall use such currency exchange rates as it may from time to time determine. Currency conversion will be subject to availability of the currency concerned. None of the Manager, the Trustee or their respective agents or delegates will be liable to any Unitholder for any loss suffered by any person arising from the said currency conversion.

The Trust Deed also provides for payment of redemption proceeds in specie with the consent of the relevant Unitholder.

SWITCHING BETWEEN CLASSES

Unitholders have the right (subject to any suspension in the determination of the net asset value of any relevant Sub-Fund and such limitations as described in the Appendix for the relevant Sub-Fund or as the Manager after consulting with the Trustee may impose) to switch all or part of their Units of any class into Units of any other class by giving notice in writing to the Authorised Distributors. A request for switching will not be effected if as a result the relevant holder would hold less than the minimum holding amount of Units of the relevant class prescribed by, or is prohibited from holding Units of the relevant class under, the relevant Appendix. Switching of Units is subject to such limitations as the Manager after consulting with the Trustee may impose from time to time. Such limitations may arise from the need to convert between different currencies in which the relevant classes are denominated.

Units shall not be switched during any period when the determination of the Net Asset Value of any relevant class of the Sub-Fund is suspended.

Requests for switching received prior to the Dealing Deadline for a Dealing Day will be dealt with on that Dealing Day. Neither the Manager nor the Trustee shall be responsible to any Unitholder for any loss resulting from the non-receipt of a request for switching or any amendment to a request for switching prior to receipt. Notices to switch may not be withdrawn without the consent of the Manager.

The rate at which the whole or any part of a holding of Units of a class (the "**Existing Class**") will be switched to Units of another class (the "**New Class**") will be determined in accordance with the following formula:

$$N = \frac{(E \times R \times F - SF)}{S}$$

Where:

N is the number of Units of the New Class to be issued.

E is the number of Units of the Existing Class to be switched.

F is the currency conversion factor determined by the Manager for the relevant Dealing Day as representing the effective rate of exchange between the base currency of Units of the Existing Class and the base currency of Units of the New Class.

R is the Redemption Price per Unit of the Existing Class applicable on the relevant Dealing Day less any Redemption Charge imposed by the Manager.

S is the Issue Price per Unit for the New Class applicable on the Dealing Day of the New Class or immediately following the relevant Dealing Day PROVIDED THAT where the issue of Units of the New Class is subject to the satisfaction of any conditions precedent to such issue then S shall be the Issue Price per Unit of the New Class applicable on the first Dealing Day for the New Class falling on or after the satisfaction of such conditions.

SF is a switching charge (if any).

The Manager has a right to impose a switching charge of up to 4.0% of the total amount being switched into and the current rates are set out in the relevant Appendix.

Depending on the Valuation Point of the relevant Sub-Fund and the time required to remit the switching money, the day on which investments are switched into the New Class may be later than the day on which investments in the Existing Class are switched out or the day on which the instruction to switch is given.

If there is, at any time during the period from the time as at which the Redemption Price per Unit of the Existing Class is calculated and the time at which any necessary transfer of funds from the Sub-Fund to which the Existing Class relates to the Sub-Fund to which the New Class relates, a devaluation or depreciation of any currency in which any investment of the original Sub-Fund is denominated or normally traded, the Redemption Price per Unit of the Existing Class shall be reduced as the Manager considers appropriate to take account of the effect of that devaluation or depreciation and the number of Units of the New Class which will arise from that switching shall be recalculated as if that reduced Redemption Price had been the Redemption Price ruling for redemption of Units in the Existing Class on the relevant Dealing Day.

Restrictions on redemption and switching

The Manager may suspend the redemption or switching of Units or delay the payment of redemption proceeds during any periods in which the determination of the Net Asset Value of the relevant Sub-Fund is suspended (for details see “Suspension of Calculation of Net Asset Value” below).

Any Unitholder may at any time after such a suspension has been declared and before lifting of such suspension withdraw any request for the redemption of Units of such class by notice in writing to the Authorised Distributors.

With a view to protecting the interests of Unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of Units of any Sub-Fund redeemed on any Dealing Day (whether by sale to the Manager or by cancellation of Units) to 10% of the total number of Units of the relevant Sub-Fund in issue. In this event, the limitation will apply pro rata so that all Unitholders of the relevant Sub-Fund who have validly requested to redeem Units of the same Sub-Fund on that Dealing Day will redeem the same proportion of such Units of that Sub-Fund provided that any holdings so requested to be redeemed being in aggregate of not more than 1% of the total number of Units of any Sub-Fund in issue may be redeemed in full if in the opinion of the Manager with the Trustee’s approval the application of such limitation would be unduly onerous or unfair to the Unitholder or Unitholders concerned. Any Units not redeemed (but which would otherwise have been redeemed) will be carried forward for redemption, subject to the same limitation, and will have priority on the next succeeding Dealing Day and all following Dealing Days (in relation to which the Manager has the same power) until the original request has been satisfied in full. If requests for redemption are so carried forward, the Manager will inform the Unitholders concerned within 7 days of such Dealing Day.

The Manager does not authorise practices connected to market timing and it reserves the right to reject any applications for subscriptions or switching of Units from a Unitholder which it suspects to use such practices and take, the case be, the necessary measures to protect the Unitholders of the Sub-Funds.

Market timing is to be understood as an arbitrage method through which a Unitholder systematically subscribes, redeems or switches Units within a short time period, by taking advantage of time differences and/or imperfections or deficiencies in the method of determination of the Net Asset Value of the concerned Sub-Funds.

VALUATION

The value of the net assets of each Sub-Fund will be determined as at each Valuation Point in accordance with the Trust Deed. The Trust Deed provides (inter alia) that:-

- (a) except in the case of any interest in a collective investment scheme to which paragraph (b) applies or a commodity, and subject as provided in paragraph (f) below, all calculations based on the value of investments quoted, listed or dealt in on any stock exchange, over-the-counter market or securities market (“**Securities Market**”) shall be made by reference to the last traded price on the principal Securities Market for such investments, at or immediately preceding the Valuation Point, provided that if the Manager in its discretion considers that the prices ruling on a Securities Market other than the principal Securities Market provide in all the circumstances a fairer criterion of value in relation to any such investment, it may adopt such prices with the approval of the Trustee; and in determining such prices the Manager and the Trustee shall be entitled to use and rely on without verification electronic price feeds from such source or sources as they may from time to time determine notwithstanding the prices used are not the last traded prices;
- (b) subject as provided in paragraphs (c) and (f) below, the value of each interest in any collective investment scheme shall be the net asset value per unit or share as at the same day, or if such collective investment scheme is not valued as at the same day, the last published net asset value per unit or share in such collective investment scheme (where available) or (if the same is not available) the last published redemption or bid price for such Unit or share at or immediately preceding the Valuation Point;
- (c) if no net asset value, bid and offer prices or price quotations are available as provided in paragraph (b) above, the value of the relevant investment shall be determined from time to time in such manner as the Manager shall determine with the approval of the Trustee;
- (d) the value of any investment which is not quoted, listed or normally dealt in on a market shall be the initial value thereof equal to the amount expended out of the Sub-Fund in the acquisition of such investment (including in each case the amount of stamp duties, commissions and other acquisition expenses) provided that the Manager may with the approval of the Trustee and shall at the request of the Trustee cause a revaluation to be made by a professional person approved by the Trustee as qualified to value such investment;

- (e) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager, any adjustment should be made to reflect the value thereof;
- (f) notwithstanding the foregoing, the Manager may with the consent of the Trustee adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment or use of such other method is required to reflect the fair value of the investment; and
- (g) the value (whether of a borrowing or other liability, an investment or cash) otherwise than in the base currency of a Sub-Fund shall be converted into the base currency at the rate (whether official or otherwise) which the Manager or the Trustee shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.

Suspension of Calculation of Net Asset Value

The Manager may, after giving notice to the Trustee, declare a suspension of the determination of the Net Asset Value of a Sub-Fund for the whole or any part of any period during which:

- (a) there is a closure of or the restriction or suspension of trading on any commodities market or securities market on which a substantial part of the investments of the relevant Sub-Fund is normally traded or a breakdown in any of the means normally employed by the Manager or the Trustee (as the case may be) in ascertaining the prices of investments or the Net Asset Value of the relevant Sub-Fund or the Issue Price or Redemption Price per Unit; or
- (b) for any other reason the prices of a substantial part of the investments held or contracted for by the Manager for the account of that Sub-Fund cannot, in the opinion of the Manager, reasonably, promptly or fairly be ascertained; or
- (c) circumstances exist as a result of which, in the opinion of the Manager, it is not reasonably practicable to realise any investments held or contracted for the account of that Sub-Fund or it is not possible to do so without seriously prejudicing the interests of Unitholders of the relevant class; or

- (d) the remittance or repatriation of funds which will or may be involved in the realisation of, or in the payment for, the investments of that Sub-Fund or the issue or redemption of Units of the relevant class in the Sub-Fund is delayed or cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange; or
- (e) when a breakdown in the systems and/or means of communication usually employed in ascertaining the value of a substantial part of the investments or other assets of that Sub-Fund or the Net Asset Value of that Sub-Fund or the Issue Price or Redemption Price per Unit takes place or when for any other reason the value of a substantial part of the investments or other assets of that Sub-Fund or the Net Asset Value of that Sub-Fund or the Issue Price or Redemption Price per Unit cannot in the opinion of the Manager reasonably or fairly be ascertained or cannot be ascertained in a prompt or accurate manner; or
- (f) when, in the opinion of the Manager, such suspension is required by law or applicable legal process; or
- (g) where that Sub-Fund is invested in one or more collective investment schemes and the realisation of interests in any relevant collective investment scheme(s) (representing a substantial portion of the assets of the Sub-Fund) is suspended or restricted; or
- (h) when the business operations of the Manager, the Trustee or any of their delegates in relation to the operations of that Sub-Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes or acts of God; or
- (i) when the Unitholders or the Manager have resolved or given notice to terminate that Sub-Fund.

Such suspension shall take effect forthwith upon the declaration thereof and thereafter there shall be no determination of the Net Asset Value of the relevant Sub-Fund until the Manager shall declare the suspension at an end, except that the suspension shall terminate in any event on the day following the first Business Day on which (i) the condition giving rise to the suspension shall have ceased to exist and (ii) no other condition under which suspension is authorised shall exist.

Whenever the Manager declares such a suspension it shall, as soon as may be practicable after any such declaration and at least once a month during the period of such suspension, publish a notice in the Hong Kong Standard and the Hong Kong Economic Times.

No Units in the relevant Sub-Fund may be issued, redeemed or switched during such a period of suspension.

INVESTMENT AND BORROWING RESTRICTIONS

The Trust Deed sets out restrictions and prohibitions on the acquisition of certain investments by the Manager. Unless otherwise disclosed in the Appendix for each Sub-Fund and agreed by the SFC, each of the Sub-Fund(s) is subject to the following principal investment restrictions:-

- (a) not more than 10% of the Net Asset Value of a Sub-Fund may consist of securities (other than Government and other public securities) issued by a single issuer;
- (b) a Sub-Fund may not hold more than 10% (when aggregated with the holdings of all the other Sub-Funds) of any ordinary shares issued by any single issuer;
- (c) not more than 15% of the Net Asset Value of a Sub-Fund may consist of securities of any company not listed, quoted or dealt in on a stock exchange, over-the-counter market or other organised securities market;
- (d) not more than 15% of the Net Asset Value of a Sub-Fund may consist of warrants and options in terms of total amount of premium paid, other than warrants and options held for hedging purposes;
- (e) (i) not more than 10% of the Net Asset Value of a Sub-Fund may consist of shares or units in other open-ended unit trusts or mutual funds (“**managed funds**”) which are non-recognised jurisdiction schemes (as defined under the Code on Unit Trusts and Mutual Funds, or the “**Code**”) and not authorised by the SFC ; (ii) not more than 30% of the Net Asset Value of a Sub-Fund may consist of shares or units in a managed fund which is a recognised jurisdiction scheme (as defined under the Code) or an SFC-authorised scheme; provided that

- (1) no investment may be made in a managed fund the investment objective of which is to invest primarily in any investment prohibited under this section;
 - (2) where the investment objective of such managed fund is to invest primarily in investments restricted under this section, such holdings may not be in contravention of the relevant limitation;
 - (3) all initial charges on the managed fund must be waived if the managed fund is managed by the Manager or any of its connected persons; and
 - (4) the Manager may not obtain a rebate on any fees or charges levied by such managed fund or its manager.
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- (f) not more than 20% of the Net Asset Value of a Sub-Fund may consist of physical commodities (including gold, silver, platinum or other bullion) and commodity based investments (other than shares in companies engaged in producing, processing or trading in commodities);
 - (g) the net aggregate value of futures contract prices, whether payable to or by a Sub-Fund (other than futures contracts entered into for hedging purposes), together with the aggregate value of investments falling within paragraph (f) above held by that Sub-Fund, may not exceed 20% of the Net Asset Value of that Sub-Fund;
 - (h) not more than 30% of the Net Asset Value of a Sub-Fund may consist of Government and other public securities of the same issue; and
 - (i) subject to paragraph (h) above, a Sub-Fund may be fully invested in Government and other public securities issued by a single issuer provided that it holds Government and other public securities of at least six different issues.

For the purpose of this section, “Government and other public securities” means any investment issued by, or the payment of principal and interest on, which is guaranteed by the government of any member state of the Organisation for Economic Co-operation and Development (“OECD”) or any fixed interest investment issued in any OECD country by a public or local authority or nationalised industry of any OECD country or anywhere in the world by any other body which is, in the opinion of the Trustee, of similar standing.

The Manager shall not on behalf of any Sub-Fund(s):-

- (i) invest in a security of any class in any company or body if directors and officers of the Manager individually own more than 0.5% of the total nominal amount of all the issued securities of that class or collectively own more than 5% of those securities;
- (ii) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies or interests in REITs);
- (iii) make short sales if as a consequence the liability of such Sub-Fund to deliver securities would exceed 10% of the Net Asset Value of such Sub-Fund (and for this purpose securities sold short must be actively traded on a market where short selling is permitted);
- (iv) write uncovered options;
- (v) write a call option if the aggregate of the exercise prices of all call options written on behalf of the relevant Sub-Fund would exceed 25% of the Net Asset Value of that Sub-Fund;
- (vi) make a loan out of that Sub-Fund without the prior written consent of the Trustee except to the extent that the acquisition of an investment or the making of a deposit (within the applicable investment restrictions) might constitute a loan;
- (vii) assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person without the prior written consent of the Trustee, provided that, for the avoidance of doubt, the consent of the Trustee shall not be required for any transaction in relation to the acquisition of an investment (within the applicable investment restrictions) unless such consent is expressly required under any other provisions of the Trust Deed;
- (viii) enter into any obligation on behalf of a Sub-Fund or acquire any asset for the account of that Sub-Fund which involves the assumption of any liability which is unlimited; or
- (ix) apply any part of a Sub-Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made unless such call could be met in full out of cash or near cash forming part of such Sub-Fund, the amount of which has not already been taken into account for the purposes of paragraph (v) above; or

- (x) Without the consent of the Trustee apply any part of the relevant Sub-Fund in the acquisition of any other investment which is in the opinion of the Trustee likely to involve the Trustee in any liability (contingent or otherwise).

Unless otherwise disclosed below or in the relevant Appendix, the Manager may borrow up to 25% of the latest available Net Asset Value of a Sub-Fund to acquire investments, to redeem Units or to pay expenses relating to the relevant Sub-Fund. For this purpose, back-to-back loans do not count as borrowing. The assets of a Sub-Fund may be charged or pledged as security for any such borrowings.

If the investment and borrowing restrictions set out above are breached, the Manager shall as a priority objective take all steps necessary within a reasonable period of time to remedy the situation, having due regard to the interests of Unitholders.

Subject to any specific provisions or limitations applicable to any Sub-Funds, the Manager may, on behalf of a Sub-Fund, enter into securities lending and repurchase transactions for up to 15% of the assets of the relevant Sub-Fund. Any incremental income generated from securities lending transactions will be credited to the account of the relevant Sub-Fund after deducting any fees charged by parties operating such transactions. Where securities lending and repurchase transactions are carried out through a connected person of the Manager or the Trustee, such person shall be entitled to retain a fee on a commercial basis, provided that all transactions shall be effected at arm's length and on best available terms and periodic disclosure is made in the Fund's annual reports. Each counterparty is expected to have a minimum credit rating of "A" assigned by Moody's Investor Services, Inc. or Standard & Poor's Corporation or other recognized rating agencies, or deemed to have an implied rating of "A" or above; alternatively, an unrated counterparty will be acceptable where the relevant Sub-Fund is indemnified against losses caused by such counterparty, by an entity which has a minimum credit rating of "A". The Manager will take collateral and will review the value of such collateral periodically (i.e. daily) to ensure that its value is greater than or equal to the value of the securities involved in such transactions. Collateral may include cash, treasury, high grade rating bonds (i.e. with a credit rating of "AAA" or "AA" assigned by Moody's or Standard & Poor's) or equivalent accepted by the Manager.

RISK FACTORS

Investors should consider the following risks and any additional risk(s) relating to any specific Sub-Fund, contained in the relevant Appendix, before investing in any of the Sub-Funds. Investors should note that the decision whether or not to invest remains with them. If investors have any doubt as to whether or not a Sub-Fund is suitable for them, they should obtain independent professional advice.

Each Sub-Fund is subject to market fluctuations and to the risks inherent in all investments. The price of Units of any Sub-Fund and the income from them may go down as well as up.

- (i) **Market risk** - The value of investments and the income derived from such investments may fall as well as rise and investors may not recoup the original amount invested in the Sub-Funds. In particular, the value of investments may be affected by uncertainties such as international, political and economic developments or changes in government policies. In falling equity markets there may be increased volatility. Market prices in such circumstances may defy rational analysis or expectation for prolonged periods of time, and can be influenced by movements of large funds as a result of short-term factors, counter-speculative measures or other reasons.
- (ii) **China market risk** - Investing in the China market is subject to the risks of investing in emerging markets generally and the risks specific to the China market.

Since 1978, the PRC government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in PRC's political, social or economic policies may have a negative impact on investments in the China market.

The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency.

Investments in equity interests of Chinese companies may be made through China A-Shares, B-Shares and H-Shares. Investment in RMB denominated bonds may be made in or outside the PRC. As the number of these securities and their combined total market value are relatively small compared to more developed markets, investments in these securities may be subject to increased price volatility and lower liquidity.

The Chinese government's control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as a Sub-Fund's assets are invested in the PRC, it will be subject to the risk of the PRC government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the Sub-Fund to satisfy payments to investors.

Investors should also be aware that changes in the PRC taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the relevant Sub-Fund. Laws governing taxation will continue to change and may contain conflicts and ambiguities.

- (iii) ***The Renminbi currency risk*** - Starting from 2005, the exchange rate of the Renminbi is no longer pegged to the US dollar. The Renminbi has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the Renminbi against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for Renminbi against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors (including but not limited to different market and regulatory conditions). It should be noted that the Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. The possibility that the appreciation of Renminbi will be accelerated cannot be excluded. On the other hand, there can be no assurance that the Renminbi will not be subject to devaluation. Any devaluation of the Renminbi could adversely affect the value of investors' investments in the relevant Sub-Fund. Investors whose base currency is not the Renminbi may be adversely affected by changes in the exchange rates of the Renminbi. Further, the PRC government's imposition of restrictions on the repatriation of Renminbi out of China may limit the depth of the Renminbi market in Hong Kong and reduce the liquidity of the relevant Sub-Fund. The Chinese government's policies on exchange control and repatriation

restrictions are subject to change, and the Sub-Fund's or the investors' position may be adversely affected.

Please note that currency conversion may also be subject to the availability of Renminbi at the relevant time, for example, there may not be sufficient Renminbi 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 relevant Sub-Fund.

- (iv) **Emerging markets risk** - Various countries in which a Sub-Fund may invest are considered as emerging markets. Investments in emerging markets will be sensitive to any change in political, social or economic development in the region. Many emerging countries have historically been subject to political instability which may affect the value of securities in emerging markets to a significant extent. As emerging markets tend to be more volatile than developed markets, any holdings in emerging markets are exposed to higher levels of market risk. The securities markets of some of the emerging countries in which a Sub-Fund's assets may be invested are not yet fully developed which may, in some circumstances, lead to a potential lack of liquidity. The securities markets of developing countries are not as large as the more established securities markets and have a substantially lower trading volume. Investment in such markets will be subject to risks such as market suspension, restrictions on foreign investment and control on repatriation of capital. There are also possibilities of nationalisation, expropriation or confiscatory taxation, foreign exchange control, political changes, government regulation, social instability or diplomatic developments which could affect adversely the economies of emerging markets or the value of the Sub-Funds' investments.

Accounting, auditing and financial reporting standards, practices and disclosure requirements applicable to some countries in which a Sub-Fund may invest may differ from those applicable in developed countries, for example, less information is available to investors and such information may be out of date.

- (v) **Currency risk** - Certain Sub-Funds may be invested in part in assets quoted in currencies other than its base currency. The performance of such Sub-Funds will therefore be affected by movements in the exchange rate between the currencies in which the assets are held and the base currency of the Sub-Funds. Since the Manager aims to maximise returns for such Sub-Funds in terms of their base currency, investors in these Sub-Funds may be exposed to additional currency risk.

- (vi) **Interest rate risk**- Changes in interest rates may affect the value of a security as well as the financial markets in general. Debt instruments (such as bonds) are more susceptible to fluctuation in interest rates and may fall in value if interest rates change. Generally, the prices of debt instruments rise when interest rates fall, whilst their prices fall when interest rates rise. Longer term debt instruments are usually more sensitive to interest rate changes.

- (vii) **Credit rating downgrading risk** - Investment grade securities may be subject to the risk of being downgraded to below investment grade securities. In the event of downgrading in the credit ratings of a security or an issuer relating to a security, a Sub-Fund's investment value in such security may be adversely affected. The Manager may or may not dispose of the securities, subject to the investment objectives of the relevant Sub-Fund. In the event of investment grade securities being downgraded to below investment grade securities, the Sub-Fund will also be subject to the below investment grade securities risk outlined in the following paragraph.

- (viii) **Below investment grade and non-rated securities risk** - A Sub-Fund may invest in securities which are below investment grade or which are non-rated. Investors should note that such securities would generally be considered to have a higher credit risk and a greater possibility of default than more highly rated securities. If the issuer of securities defaults, or such securities cannot be realised, or perform badly, investors may suffer substantial losses. The market for these securities may be less active, making it more difficult to sell the securities. Valuation of these securities is more difficult and thus the relevant Sub-Fund's prices may be more volatile.

In particular, the value of lower-rated or unrated corporate bonds is affected by investors' perceptions. When economic conditions appear to be deteriorating, lower rated or unrated corporate bonds may decline in market value due to investors' heightened concerns and perceptions over credit quality.

- (ix) **Credit risk** - An issuer suffering an adverse change in its financial condition could lower the credit quality of a security, leading to a decrease in the security value. A lowering of the credit rating of a security or its issuer may also affect the security's liquidity, making it more difficult to sell and this may also lead to greater volatility of the security. A Sub-Fund's investment is also subject to the risk that issuers may not make payments on the securities they issue.

- (x) **Over-the-counter markets risk** - Over-the-counter (OTC) markets are subject to less governmental regulation and supervision of transactions (in which many different kinds of financial derivative instruments and structured products are generally traded) than organised exchanges. In addition, many of the protections afforded to participants on some organised exchanges, such as the performance guarantee of an exchange clearing house, may not be available in connection with transactions carried out on OTC markets. Therefore, a Sub-Fund entering into transactions on OTC markets will be subject to the risk that its direct counterparty will not perform its obligations under the transactions and that a Sub-Fund will sustain losses.

In addition, certain instruments traded on the OTC markets (such as customised financial derivatives and structured products) can be illiquid. The market for relatively illiquid investments tends to be more volatile than the market for more liquid investments.

- (xi) **Concentration risk** - Certain Sub-Funds may invest only in a specific country/region/sector. Each Sub-Fund's portfolio may not be well diversified in terms of the number of holdings, investors should also be aware that such Sub-Funds are likely to be more volatile than a broad-based fund, such as a global or regional equity fund, as they are more susceptible to fluctuations in value resulting from limited number of holdings or from adverse conditions in their respective countries.
- (xii) **Hedging risk** - The Manager is permitted, but not obliged, to use hedging techniques to attempt to offset market risks. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result.
- (xiii) **Liquidity risk** - Some of the markets in which a Sub-Fund invests may be less liquid and more volatile than the world's leading stock markets and this may result in the fluctuation in the price of securities traded on such markets. Certain securities may be difficult or impossible to sell, and this would affect the Sub-Fund's ability to acquire or dispose of such securities at their intrinsic value.
- (xiv) **Derivative and structured product risk** - The Sub-Funds may invest in derivatives such as options, futures and convertible securities, and in depositary receipts, participation rights and potentially through other instruments which are linked to the performance of securities or indices such as participation notes, equity swaps and equity linked notes, which are sometimes referred to as "structured products". Investment in these instruments can be illiquid, if there is no active market in these

instruments. Such instruments are complex in nature. Therefore there are risks of mispricing or improper valuation and possibilities that these instruments do not always perfectly track the value of the securities, rates or indices they are designed to track. Improper valuations can result in increased payments to counterparties or a loss in the value of the relevant Sub-Funds. The instruments will also be subject to insolvency or default risk of the issuers or counterparties. In addition, investment through structured products may lead to a dilution of performance of such Sub-Funds when compared to a fund investing directly in similar assets. Besides, many derivative and structured products involve an embedded leverage. This is because such instruments provide significantly larger market exposure than the money paid or deposited when the transaction is entered into, so a relatively small adverse market movement could expose the relevant Sub-Funds to the possibility of a loss exceeding the original amount invested.

- (xv) ***Restricted markets risk*** - The Sub-Funds may invest in securities in jurisdictions (including China) which impose limitations or restrictions on foreign ownership or holdings. In such circumstances, the Sub-Funds may be required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers.

- (xvi) ***Restriction on Auditor's Liability*** - The engagement letter entered into by the Fund, its sub-funds and the auditor contains provisions limiting the liability of the auditor to three times the fees paid to the auditor for the services or work product giving rise to the liability except to the extent finally determined to have resulted from the wilful or intentional negligence or misconduct, or fraudulent behaviour of the auditor. Other release and indemnity provisions are also contained in the engagement letter relating to consequential loss, third party claims and fraudulent acts or omissions, misrepresentations or wilful default on the part of the Manager, its directors, employees or agents.

The engagement letter also contains provisions limiting any claim for breach of contract, breach of duty, fault, negligence or otherwise arising out of or in connection with this engagement to be brought against the auditor within three years of the act or omission alleged to have caused the loss in question.

- (xvii) **PRC tax considerations** – By investing in Renminbi denominated corporate and government bonds issued by tax residents in the PRC, a Sub-Fund may be subject to withholding and other taxes imposed in the PRC.

Corporate Income Tax:

Interests

Interests derived from government bonds are exempt from PRC income tax under the Corporate Income Tax (“CIT”) Law.

Unless a specific exemption is applicable, for recipients that are treated as non-residents in PRC under the CIT Law, an income withholding tax is levied on the payment of interests on debt instruments issued by PRC tax residents, including bonds issued by enterprises established within mainland China. The general withholding income tax rate applicable is 10%.

Under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (the “Arrangement”), if a Hong Kong tax resident derives interest income from the PRC, the withholding income tax rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income under the Arrangement. However, there are still uncertainties as to how the PRC tax authorities will assess the beneficial ownership issue for investment fund cases, it is uncertain whether the Sub-Fund can obtain approval from the tax authorities for this preferential rate. If the relevant approval is not obtained, the general rate of 10% will be applicable to the relevant Sub-Fund.

Dividends

Dividends derived by a non-resident recipient from PRC tax residents are subject to PRC withholding income tax and the general withholding income tax rate applicable is 10%.

Capital gains

For tax residents in Hong Kong that have no permanent establishment in the PRC, capital gains arising from the disposal of Renminbi denominated corporate,

government and non-government bonds, pursuant to the Arrangement may only be taxed in Hong Kong as trading income under the laws of Hong Kong. Notwithstanding the aforesaid, as stated in the Taxation section headed “Hong Kong” below, the Fund and the Sub-Funds are not expected to be subject to Hong Kong tax as funds authorised by the SFC pursuant to section 104 of the SFO are exempted from Hong Kong Profits Tax. The Manager will seek to ensure that the Sub-Funds can benefit from the Arrangement.

For tax residents in Hong Kong that have no permanent establishment in the PRC, capital gains arising from the disposal of shares of PRC enterprises will not be subject to capital gains tax in the PRC provided that the Hong Kong resident holds less than 25% of the entire shareholding of the PRC enterprise.

Business Tax:

Interests derived from Renminbi denominated corporate and non-government bonds issued by PRC tax residents may be subject to business tax at a rate of 5% in China, unless there is an applicable exemption.

Where there is Business Tax payable, City Construction Tax and Education Surcharge of up to 10% of the Business Tax payable would be imposed starting from December 1, 2010. In addition, Local Education Surcharge of 2% of the Business Tax payable would also be imposed although the effective date for imposing Local Education Surcharge is not yet determined but it could be as early as January 2011.

Stamp duty:

Stamp duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC’s Provisional Rules on Stamp Duty. Stamp duty is levied on the execution or receipt in China of certain documents, including contracts for the sale of China A- and B-Shares traded on the PRC stock exchanges. In the case of contracts for sale of China A- and B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

Tax Provision:

It is the intention of the Manager to operate the affairs of the Manager and the relevant Sub-Fund such that they are not tax resident enterprises and have no permanent

establishment in the PRC for PRC corporate income tax purposes, although this cannot be guaranteed.

The Manager will decide whether tax provisions will be made in respect of a Sub-Fund for the above tax obligations based on independent tax advice obtained. Even if provisions are made, the amount of such provisions may not be sufficient to meet the actual tax liabilities. With the uncertainties under the applicable PRC tax laws and the possibility of such laws being changed and taxes being applied retrospectively, any provision for taxation made by the Manager may be excessive or inadequate to meet actual PRC tax liabilities on gains derived from investments held by the Sub-Fund. Consequently, investors may be advantaged or disadvantaged depending upon the final outcome of how such capital gains will be taxed, the level of provision and when they subscribed and/or redeemed their Units in/from the relevant Sub-Fund. In case of any shortfall between the provisions and actual tax liabilities, which will be debited from the Sub-Fund's assets, the Sub-Fund's asset value will be adversely affected.

Various tax reform policies have been implemented by the PRC government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in the PRC will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the relevant Sub-Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in the PRC which a Sub-Fund invests in, thereby reducing the income from, and/or value of the Units.

- (xviii) **Counterparty risk** - Counterparty risk involves the risk that a counterparty or third party will not fulfil its obligations to a Sub-Fund. A Sub-Fund may be exposed to the risk of a counterparty through investments such as bonds, futures and options. To the extent that a counterparty defaults on its obligations and a Sub-Fund is prevented from exercising its rights with respect to the investment in its portfolio, a Sub-Fund may experience a decline in the value and incur costs associated with protecting its rights attached to the security.
- (xix) **Risk of termination** - a Sub-Fund may be terminated in certain circumstances which are summarised under the section "Termination of the Fund or any Sub-Fund". In the event of the termination of a Sub-Fund, such Sub-Fund would have to distribute to the

Unitholders their pro rata interest in the assets of the Sub-Fund. It is possible that at the time of such sale or distribution, certain investments held by the relevant Sub-Fund will be worth less than the initial cost of acquiring such investments, resulting in a loss to the Unitholders. Moreover, any organisational expenses (such as establishment costs) with regard to the relevant Sub-Fund that had not yet been fully amortised would be debited against the Sub-Fund's assets at that time.

In view of the above, investment in any Sub-Fund should be regarded as long term in nature. The Sub-Funds are, therefore, only suitable for investors who can afford the risks involved.

Investors should refer to the relevant Appendix for details of any additional risks specific to a Sub-Fund.

EXPENSES AND CHARGES

Management Fee

The Manager is entitled to receive a management fee accrued daily and payable monthly in arrears out of each Sub-Fund as a percentage of the Net Asset Value of each class of Unit in a Sub-Fund as at each Valuation Day at the rates set out in the Appendix.

The Manager may increase the rate of the management fee payable in respect of a Sub-Fund (up to the maximum rate of 2.50% per annum) on giving not less than one month's prior notice to the Unitholders.

The Manager shall pay the fees of any sub-investment manager and investment adviser to which it has appointed. Any such sub-investment managers and investment adviser will not receive any remuneration directly from any Sub-Fund.

Performance Fee

The Manager may charge a performance fee out of the assets of each Sub-Fund at the rates set out in the Appendix. Where there is no performance fee chargeable by the Manager with respect to a Sub-Fund and the Manager subsequently decides to impose a performance fee on such Sub-Fund, not less than three months' prior notice will be given to Unitholders.

Trustee Fee

The Trustee is entitled to a Trustee fee, payable out of the assets of each Sub-Fund is based on the Net Asset Value of the relevant Sub-Fund. The current rate of the Trustee fee currently payable to the Trustee in relation to a Sub-Fund is set out in the Appendix for the Sub-Fund. The maximum rate of the Trustee fee is 0.5% per annum. The Trustee's fee is accrued daily and is payable monthly in arrears.

The Trustee also acts as the Registrar of the Fund.

Unitholders shall be given not less than one month's prior notice should there be any increase of the Trustee Fee from the current level up to the maximum level.

Custody Fee

Pursuant to the fee letter entered into between the Fund and the Custodian, the Custodian is entitled to, among others, transaction charges at customary market rates and custody fees at different rates, largely depending on the investment instruments concerned as well as the markets where the Custodian is required to hold the Sub-Fund's assets. The current rate of the Custody fee is set out in the Appendix for the relevant Sub-Fund. Such fees will be calculated monthly and will be paid monthly in arrears. The Custodian will also be entitled to reimbursement by the Sub-Fund for any out-of-pocket expenses incurred in the course of its duties.

Establishment Costs

The establishment costs of the Fund and the initial Sub-Fund (i.e. Ping An of China SIF-RMB Bond Fund) will be borne by the initial Sub-Fund. Such costs amount to approximately RMB800,000.00, and will be charged to the accounts of Ping An of China SIF- RMB Bond Fund as expense and will be written off in the first financial year. If further sub-funds are launched, the establishment costs will be allocated to the relevant sub-fund, except for those costs that the Manager decides to pay out of its own resources.

General

Each Sub-Fund will bear the costs set out in the Trust Deed which are directly attributable to it. Where such costs are not directly attributable to a Sub-Fund, such costs will be allocated amongst the Sub-Funds in proportion to the respective Net Asset Value of all the Sub-Funds.

Each Sub-Fund will bear the cost of (a) all stamp and other duties, taxes, governmental charges, brokerages, commissions, exchange costs and commissions, bank charges, transfer fees and expenses, registration fees and expenses, fees and transaction fees of the Trustee, custodian or sub-custodian and proxy fees and expenses, collection fees and expenses, insurance and security costs, and any other costs, charges or expenses payable in respect of the acquisition, holding and realisation of any investment or other property or any cash, deposit or loan (including the claiming or collection of income or other rights in respect thereof and including any fees or expenses charged or incurred by the Trustee or the Manager or any connected person in the event of the Trustee or the Manager or such connected person rendering services or effecting transactions giving rise to such fees or expenses), (b) the fees and expenses of the Auditors and the Registrar, (c) fees charged by the Trustee in connection with valuing the assets of the Sub-Fund or any part thereof, calculating the issue and redemption prices of Units of the Sub-Fund and preparing financial statements, (d) all legal charges incurred by the Manager or the Trustee in connection with the Sub-Fund, (e) out-of-pocket expenses incurred by the Trustee wholly and exclusively in the performance of its duties, (f) the expenses of or incidental to the preparation of deeds supplemental to the Trust Deed, (g) the expenses of holding meetings of Unitholders and of giving notices to Unitholders, (h) the costs and expenses of obtaining and maintaining a listing for the Units of the Sub-Fund on any stock exchange or exchanges selected by the Manager and approved by the Trustee and/or in obtaining and maintaining any approval or authorisation of the Sub-Fund or in complying with any undertaking given, or agreement entered into in connection with, or any rules governing such listing, approval or authorisation, and (i) without prejudice to the generality of the foregoing, all costs incurred in publishing the issue and redemption prices of Units of the Sub-Fund, all costs of preparing, printing and distributing all statements, accounts and reports pursuant to the provisions of the Trust Deed (including the Auditors' fees and Trustee's fee), the expenses of preparing and printing any explanatory memorandum, and any other expenses, deemed by the Manager, after consulting the Trustee, to have been incurred in compliance with or in connection with any change in or introduction of any law or regulation or directive (whether or not having the force of law) of any governmental or other regulatory authority or with the provisions of any code relating to unit trusts.

For so long as the Fund and such Sub-Funds are authorised by the SFC, no advertising or promotional expenses shall be charged to the Sub-Funds so authorised.

Cash Rebates and Soft Commissions

Neither the Manager nor any of its connected persons will retain cash or other rebates from brokers or dealers in consideration of directing transactions for a Sub-Fund to such brokers or dealers, save that goods and services (soft commissions) may be retained if, such goods and

services are of demonstrable benefit to the Unitholders, and the transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates. Any such cash commission or rebates received from any such brokers or dealers shall be for the account of the relevant Sub-Fund. Details of any such commissions will be disclosed in the annual and semi-annual report and accounts of the relevant Sub-Fund.

The Manager and/or any of its connected person reserves the right to effect transactions by or through the agency of another person with whom the Manager and/or any of its connected person has an arrangement under which that party will from time to time provide to or procure for the Manager and/or any of its connected person goods, services or other benefits (such as research and advisory services, computer hardware associated with specialised software or research services and performance measures) the nature of which is such that their provision can reasonably be expected to benefit the relevant Sub-Fund as a whole and may contribute to an improvement in the performance of the relevant Sub-Fund or of the Manager and/or any of its connected person in providing services to the relevant Sub-Fund and for which no direct payment is made but instead the Manager and/or any of its connected person undertakes to place business with that party. For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries or direct money payments.

TAXATION

Each prospective Unitholder should inform himself of, and where appropriate take advice on, the taxes applicable to the acquisition, holding and redemption of Units by him under the laws of the places of his citizenship, residence and domicile.

Hong Kong

During such period as the Fund and any of its Sub-Funds are authorised by the SFC pursuant to section 104 of the SFO then, under present Hong Kong law and practice:-

- (a) The Fund and the Sub-Funds are not expected to be subject to Hong Kong tax in respect of any of its authorised activities.

- (b) No tax will be payable by Unitholders in Hong Kong in respect of dividends or other income distributions of any Sub-Fund so authorised or in respect of any capital gains arising on a sale, redemption or other disposal of Units of such Sub-Fund, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

Units will be regarded as “Hong Kong stock” for the purposes of Hong Kong stamp duty. Sales or transfers of Units will be liable to Hong Kong ad valorem stamp duty at the rate of HK\$1.00 per HK\$1,000 or part thereof of the higher of the consideration for, or the value of, the Units payable by each of the transferor and the transferee (i.e. a total of HK\$2.00 per HK\$1,000 or part thereof). In addition, a fixed duty of HK\$5.00 is currently payable on any instrument of transfer of Units. No Hong Kong stamp duty is payable where the sale or transfer of the Unit is effected by extinguishing the Unit or the sale or purchase is effected by the Manager and his power to effect such sale or purchase arise (i) from the transfer to him of that or some other Unit within the immediately preceding 2 months; or (ii) otherwise than from a previous transfer to him of that or some other Unit.

China

Investors should also refer to the “PRC tax considerations” under the section headed “Risk Factors” to inform themselves of possible tax consequences under PRC laws.

REPORTS AND ACCOUNTS

The Fund's financial year end is on 30 June in each year, with the first financial year ending on 30 June 2012. The annual report and audited accounts (in English only) will be made available to Unitholders as soon as possible, and in any event within four months, after the end of the financial year. The Manager also procures unaudited semi-annual reports (in English only) to be made available to Unitholders within two months after 31 December in each year. The Manager intends to adopt International Financial Reporting Standards in drawing up the annual accounts of the Fund.

To the extent the Fund's valuation policy deviates from IFRS, the Manager may make necessary adjustments in the accounts of the Fund for the accounts to comply with IFRS and will include in the Fund's annual accounts a reconciliation note to reconcile values arrived at by applying the Fund's valuation rules.

Unitholders will be notified of the means of getting access to the financial reports (in electronic form only) [via the website http://asset.pingan.com.hk/eng/funds.php?id=1#f5](http://asset.pingan.com.hk/eng/funds.php?id=1#f5) as and when the financial reports are available and, in any event, printed copies of the financial reports will be available at the offices of the Manager upon Unitholders' request.

DISTRIBUTION OF DIVIDENDS

Unless otherwise described in the relevant Appendix, the Manager does not intend to make any distribution of dividends.

Distributions (if any) declared in respect of an interim accounting period or an Accounting Period, as described in the relevant Appendix, shall be distributed among the Unitholders of the relevant classes of Units rateably in accordance with the number of Units held by them on the record date in respect of such interim accounting period or Accounting Period, as the case may be. For the avoidance of doubt, only Unitholders whose names are entered on the register of Unitholders on such record date shall be entitled to the distribution declared in respect of the corresponding interim accounting period or Accounting Period, as the case may be.

Any payment of distributions will be made in the class currency of the relevant classes by direct transfer into the appropriate bank account or by cheque at the risk of the Unitholders (or in such other manner as may be agreed with the Manager and the Trustee). Any distribution which is not claimed for six years will be forfeited and become part of the assets of the relevant Sub-Fund.

VOTING RIGHTS

Meetings of Unitholders may be convened by the Manager or the Trustee, and the Unitholders of 10% or more in value of the Units in issue may require a meeting to be convened. Unitholders will be given not less than 21 days' notice of any meeting.

The quorum for all meetings is Unitholders present in person or by proxy representing 10% of the Units for the time being in issue except for the purpose of passing an extraordinary resolution. The quorum for passing an extraordinary resolution shall be Unitholders present in person or by proxy representing 25% or more of the Units in issue. If within half an hour from the time appointed for the meeting a quorum is not present, the meeting should be adjourned for not less than 15 days. In the case of an adjourned meeting of which separate

notice will be given, such Unitholders as are present in person or by proxy will form a quorum. On a show of hands, every individual Unitholder present in person or by representative has one vote; on a poll every Unitholder present in person, by proxy or by representative has one vote for every Unit of which he is the holder. In the case of joint Unitholders the senior of those who tenders a vote (in person or by proxy) will be accepted and seniority is determined by the order in which the names appear on the Register of Unitholders. A poll may be demanded by the Chairman or one or more Unitholders present in person or by proxy.

PUBLICATION OF PRICES

The Net Asset Value per Unit of each Sub-Fund at each Valuation Day will be published daily in Hong Kong in the Hong Kong Standard and in the Hong Kong Economic Times, unless otherwise specified in the relevant Appendix.

TRANSFER OF UNITS

Subject as provided below, Units may be transferred by an instrument in writing in common form signed and stamped by (or, in the case of a body corporate, signed on behalf of or sealed by) the transferor and the transferee. The transferor will be deemed to remain the holder of the Units transferred until the name of the transferee is entered in the register of Unitholders in respect of such Units.

Each instrument of transfer must relate to a single class of Units only. No Units may be transferred if, as a result, either the transferor or the transferee would hold Units having a value less than the minimum holding amount (if any) of the relevant class as set out in the relevant Appendix.

COMPULSORY REDEMPTION OR TRANSFER OF UNITS

The Manager or the Trustee may require a Unitholder to transfer the Unitholder's Units or may redeem such units in accordance with the Trust Deed if it shall come to the notice of the Manager or the Trustee that the Unitholder holds such Units (a) in breach of the law or requirements of any country, any governmental authority or any stock exchange on which such Units are listed or (b) in circumstances (whether directly or indirectly affecting such

Unitholder and whether taken alone or in conjunction with any other persons, connected or not, or any other circumstances appearing to the Manager or the Trustee to be relevant) which, in the opinion of the Manager or the Trustee, might result in the Fund and/or any Sub-Fund in relation to such class of Units incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund or the Sub-Fund might not otherwise have incurred or suffered.

TRUST DEED

The Fund was established under the laws of Hong Kong by a Trust Deed dated 11 April 2011 made between Ping An of China Asset Management (Hong Kong) Company Limited as Manager and BOCI-Prudential Trustee Limited as Trustee.

The Trust Deed contains provisions for the indemnification of the parties and their exculpation from liability in certain circumstances. However, the Trustee and the Manager shall not be exempted from liability imposed under Hong Kong law in respect of their fraud, negligence, default or breach of duty or trust nor the Trustee and the Manager may be indemnified against such liability by Unitholders or at Unitholders' expenses, as provided in the Trust Deed. Unitholders and intending applicants are advised to consult the terms of the Trust Deed.

Copies of the Trust Deed (together with any supplemental deeds) may be obtained from the Manager on payment of a reasonable fee and may be inspected during normal working hours at the offices of the Manager free of charge.

TERMINATION OF THE FUND OR ANY SUB-FUND

The Fund shall continue for a period of 80 years from the date of the Trust Deed or until it is terminated in one of the ways set out below.

The Fund may be terminated by the Trustee on notice in writing, provided that the Trustee shall certify that in its opinion the proposed termination is in the interest of Unitholders,

- (a) if the Manager goes into liquidation or if a receiver is appointed over any of their assets and not discharged within 60 days; or

- (b) if in the reasonable opinion of the Trustee, the Manager is incapable of performing or fails to perform its duties satisfactorily or shall do any other thing which in the opinion of the Trustee is calculated to bring the Fund into disrepute or to be harmful to the interests of the Unitholders; or
- (c) if any law shall be passed which renders it illegal or in the reasonable opinion of the Trustee impracticable or inadvisable in consultation with the relevant regulatory agencies (the SFC in Hong Kong) to continue the Fund; or
- (d) within 30 days of the Manager leaving office, no new manager is appointed; or
- (e) no new trustee is appointed within six months of the Trustee giving notice of its desire to retire.

The Fund and/or any of the Sub-Fund or the class of Units of a Sub-Fund may be terminated by the Manager on notice in writing if:

- (a) on any date, in relation to the Fund, the aggregate Net Asset Value of all Units outstanding thereunder shall be less than RMB20 million or in relation to a Sub-Fund, the aggregate Net Asset Value of the Units of the relevant class outstanding thereunder shall be less than RMB20 million or such other amounts as disclosed in the relevant Appendix; or
- (b) in the opinion of the Manager, it is impracticable or inadvisable to continue a Sub-Fund and/or any class of Units of a Sub-Fund (as the case may be) (including without limitation, a situation where it is no longer economically viable to operate the Sub-Fund); or
- (c) any law shall be passed which renders it illegal or in the opinion of the Manager impracticable or inadvisable in consultation with the relevant regulatory agencies (the SFC in Hong Kong) to continue the Fund or a Sub-Fund; or
- (d) the Fund and/or the relevant Sub-Fund (as the case may be) shall fail to become authorised or otherwise officially approved pursuant to the SFO or, having become so authorised or otherwise officially approved, shall cease to be so authorised or otherwise officially approved.

In cases of termination on notice, no less than one month's notice will be given to Unitholders.

Further, a Sub-Fund or a class or classes of a Sub-Fund may be terminated by an extraordinary resolution of the Unitholders of the Sub-Fund or the Unitholders of the relevant class or classes (as the case may be) on such date as the extraordinary resolution may provide.

ANTI-MONEY LAUNDERING REGULATIONS

As part of the Manager's and Trustee's responsibility for the prevention of money laundering, the Manager/Trustee may require a detailed verification of an investor's identity and the source of payment of application moneys. Depending on the circumstances of each application, a detailed verification might not be required where:-

- (a) the applicant makes the payment from an account held in the applicant's name at a recognised financial institution; or
- (b) the application is made through a recognised intermediary.

These exceptions will only apply if the financial institution or intermediary referred to above is within a country recognised as having sufficient anti-money laundering regulations. The Manager and the Trustee nevertheless reserve the right to request such information as is necessary to verify the identity of an applicant and the source of payment. In the event of delay or failure by the applicant to produce any information required for verification purposes, the Manager or the Trustee may refuse to accept the application and the subscription moneys relating thereto and refuse to pay any redemption proceeds if an applicant for Units delays in producing or fails to produce any information required for the purposes of verification of identity or source of fund.

CONFLICTS OF INTEREST

The Manager and the Trustee may from time to time act as trustee, administrator, registrar, manager, custodian, investment manager or investment adviser, representative or otherwise as may be required from time to time in relation to, or be otherwise involved in or with, other funds and clients which have similar investment objectives to those of any Sub-Fund. It is, therefore, possible that any of them may, in the course of business, have potential conflicts of interest with the Fund. Each will, at all times, have regard in such event to its obligations to the Fund and will endeavour to ensure that such conflicts are resolved fairly. In any event, the Manager shall ensure that all investment opportunities will be fairly allocated.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal working hours at the offices of the Manager free of charge and copies thereof may be obtained from the Manager upon payment of a reasonable fee:-

- (a) the Trust Deed, and any supplemental deeds;
- (b) all material contracts (if any, as specified in the relevant Appendix); and
- (c) the latest financial reports of the Fund.

APPENDIX I - Ping An of China SIF- RMB Bond Fund

This Appendix comprises information in relation to Ping An of China SIF- RMB Bond Fund, a Sub-Fund of the Fund (the “Sub-Fund”).

Base Currency

The base currency of the Sub-Fund is RMB.

Investment Objective and Policy

The investment objective of the Sub-Fund is to provide total returns comprised of interest income and capital growth by investing principally in RMB denominated fixed or floating rate debt securities.

The Sub-Fund invests primarily in RMB denominated debt instruments issued or distributed outside mainland China by government, quasi-government organizations, financial institutions, multinational organizations and other corporations.

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, negotiated term deposits with authorised financial institutions and the following instruments (also issued outside mainland China):

- convertible bonds,
- commercial papers;
- short term bills and notes, etc.

The above instruments (other than bank deposits) are collectively referred to as “RMB Income Instruments”. Some of the RMB Income Instruments may be settled in a currency other than RMB (i.e. payments due under such instrument are made in a currency other than RMB at the time of settlement at the prevailing exchange rate). However, 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 RMB Income Instruments settled in a non-RMB currency and non-RMB denominated bank deposits.

The issuers of RMB Income Instruments may or may not be established or incorporated in mainland China.

Subject to the investment restrictions set out in the section headed “Investment and Borrowing Restrictions”, the Sub-Fund will also comply with the following restrictions: the Sub-Fund’s investments in RMB Income Instruments issued by an issuer together with any bank deposits with such issuer will not in aggregate exceed 10% of its Net Asset Value, except: (a) where the issuer is a substantial financial institution and the total investments does not exceed 10% of the issuer’s issued capital and published reserves, the limit may be increased to 25%; or (b) in respect of any deposit of less than US\$1 million or its equivalent in RMB, where the Sub-Fund cannot otherwise diversify as a result of its size.

Subject to applicable regulations, the Sub-Fund may obtain exposure to mainland bond markets through arrangements with authorised financial institutions. When regulations in the mainland China allow the Sub-Fund to invest directly in RMB denominated fixed rate or floating rate debt instruments issued within mainland China, the Sub-Fund may in future make such investment directly. The Sub-Fund currently may only invest in RMB denominated debt instruments issued or distributed outside mainland China, and it will not invest directly in China A-shares or other securities issued within mainland China through any qualified financial institutional investor (“QFII”). Not less than one month’s prior notice will be given to investors if the Manager intends to make such investment.

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. If the Manager intends to enter into such transactions, subject to the SFC’s prior approval, Unitholders will be given one month’s prior notice (or such shorter notice period as the SFC may agree).

The following is an indicative investment allocation of the Sub-Fund. Investors should note that the Manager may at any time adjust the allocation (within the prescribed limit as shown in the below table) having regard to prevailing market conditions in future without further notice.

<i>Type of instrument</i>	<i>Indicative percentage (of Sub-Fund's value)</i>
Government securities and quasi-government organisation securities	Up to 80%
Debts issued by substantial financial institutions and corporate entities	Up to 70%

In the absence of available RMB Income Instruments, the Sub-Fund may invest a significant portion of its portfolio in RMB negotiated bank deposits with substantial financial institutions (as defined in the SFC's Code on Unit Trusts and Mutual Funds), subject to the Sub-Fund's diversification policy as mentioned above.

Investment 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.

- Duration strategy - The Sub-Fund will adjust the duration risk profile of the investment portfolio based on expectations of global and China's macroeconomic cycle, fiscal policy and monetary policy. For example, if RMB interest rate is expected to fall, the Sub-Fund will increase the average duration of the investment portfolio to better take advantage of the capital gain potential from lower yield, and vice versa.
- Term structure strategy - The Sub-Fund will adjust the allocation of short-term, medium-term and long-term securities based on the expected changes in the shape of the RMB yield curve term structure. The Sub-Fund may adopt, based on the expected changes in the shape of the RMB yield curve term structure, bullet-type (an investment strategy that involves purchasing a number of bonds and debt securities with similar maturity dates), barbell-type (an investment strategy that involves purchasing both short-term and long-term but not intermediate-term bonds and debt securities) or ladder-type (an investment strategy that involves allocating the portfolio evenly among bonds and debt securities that mature at regular intervals) strategy. The choices of strategy will be adjusted dynamically.

- Sector allocation strategy - The Sub-Fund will adjust the allocation of investment among government debts, quasi-government debts, private sector debts and debts that bear higher credit risk to seek better tax-adjusted and risk-adjusted returns among various investment instruments. The Sub-Fund will also adjust the allocation of investment among RMB Income Instruments issued by private sector issuers of different industry/sector background to seek better tax-adjusted and risk-adjusted returns.
- Product selection strategy- Through extensive in-house research and research by external analysts on the fundamentals of different issuers, the Sub-Fund seeks to invest in issues that offer expected excess return with regard to credit ratings and fundamentals. The Sub-Fund, however, does not have explicit restrictions/requirements on the minimum credit ratings of the RMB Income Instruments it holds and may invest substantially in non-rated instruments.
- Credit rating strategy - The Manager will adjust the Sub-Fund’s allocation of investment in debt securities issued by different issuers based on its expectation over the potential upgrading and downgrading of each issuer’s 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. 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 fundamental research and various pre-determined criteria / parameters.

The Manager will use the above strategies in the investment of RMB Income Instruments available in the primary and secondary markets.

Specific Risk Factors

Investors should refer to the relevant risks under the section headed “**Risk Factors**” on page 30 in the main part of the Explanatory Memorandum, and the following specific risk factors for the Sub-Fund.

Investment risk - The Sub-Fund mainly invests in RMB Income Instruments and these instruments may fall in value. Investors may suffer losses as a result. The Sub-Fund is not principal guaranteed and the purchase of its Units is not the same as investing directly in RMB Income Instruments or placing RMB funds on deposit with a bank. There is also no

guarantee of dividend or distribution payments during the period an investor holds Units in the Sub-Fund.

Renminbi currency risk – Renminbi is currently not a freely convertible currency as it is subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government. If such policies change in future, the Sub-Fund’s or the investors’ position may be adversely affected.

There is no assurance that RMB will not be subject to devaluation, in which case the value of their investments will be adversely affected. If investors convert Hong Kong Dollar or any other currency into RMB so as to invest in the RMB class of Units and subsequently convert the RMB redemption proceeds back into Hong Kong Dollar or any other currency, they may suffer a loss if RMB depreciates against Hong Kong Dollar or such other currency. Investors who invest in non-RMB denominated classes of Units may also suffer a loss in their investments if RMB depreciates against the relevant class currency, as the majority of the Sub-Fund’s investments will be held in RMB Income Instruments and RMB denominated deposits. Please note that 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.

In calculating the value of non-RMB denominated or settled assets and the prices of non-RMB classes, the Manager will normally apply the exchange rate for offshore RMB market in Hong Kong (the “CNH rate”). The CNH rate may be at a premium or discount to the exchange rate for onshore RMB market in the PRC (the “CNY rate”) and there may be significant bid and offer spreads. The value of the Sub-Fund thus calculated will be subject to fluctuation.

Credit risk of issuers of counterparties – Investment in RMB Income Instruments is subject to the counterparty risk of the issuers which may be unable or unwilling to make timely payments on principal and/or interest. The financial market of mainland China is at an early stage of development, and most of the RMB Income Instruments that the Sub-Fund invests in are and will be unrated. In general, debt instruments that have a lower credit rating or that are unrated will be more susceptible to the credit risk of the issuers. In the event of a default or credit rating downgrading of the issuers of the RMB Income Instruments, the Sub-Fund’s value will be adversely affected and investors may suffer a substantial loss as a result. The Sub-Fund may also encounter difficulties or delays in enforcing its rights against the issuers

of RMB Income Instruments as such issuers may be incorporated outside Hong Kong and subject to foreign laws.

RMB Income Instruments and RMB denominated bank deposits are offered on an unsecured basis without collateral, and will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of RMB Income Instruments and RMB denominated bank deposits only after all secured claims have been satisfied in full. The Sub-Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Risk of limited pool of investments – The Sub-Fund's investment strategy is to invest primarily in RMB Income Instruments issued outside mainland China. However, the quantity of RMB Income Instruments issued or distributed outside mainland China that are available to the Sub-Fund is currently limited, and the remaining duration of such instruments may be short. In the absence of available RMB Income Instruments, or when such instruments held are at maturity, the Sub-Fund may have to allocate a significant portion of its portfolio in RMB negotiated term deposits with substantial financial institutions until suitable RMB Income Instruments are available in the market. This may adversely affect the Sub-Fund's return and performance.

Further, there is currently a limited supply of RMB denominated instruments that are rated investment grade. Therefore, the credit quality of the investments held by the Sub-Fund could be adversely affected; and the Sub-Fund may be subject to a higher degree of credit risk.

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. There is no guarantee that market making arrangements will be in place to make a market and quote a price for all RMB Income Instruments. In the absence of an active secondary market, the Sub-Fund may need to hold the relevant RMB Income Instruments until their maturity date. If sizeable redemption requests are received, the Sub-Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses in trading such instruments. Even if a secondary market exists for any RMB Income Instruments, the price at which such instruments are traded on the secondary market may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates.

Further, the bid and offer spread of the price of RMB Income Instruments may be high, and the Sub-Fund may therefore incur significant trading costs and may even suffer losses when selling such investments. The Manager seeks to control the liquidity risk of the investment portfolio by a series of internal management measures in order to meet Unitholders' redemption requests.

Foreign exchange risk - The Renminbi is not currently a freely convertible currency and is subject to exchange control imposed by the Chinese government. Such control of currency conversion and movements in the Renminbi exchange rates may adversely affect the operations and financial results of companies in the PRC. Insofar as 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, it will be subject to the risk of the PRC government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the Sub-Fund to satisfy payments to investors.

On the other hand, given that up to 10% of the investments of the Sub-Fund will be maintained in RMB Income Instruments settled in a non-RMB currency and non-RMB denominated bank deposits, the exchange rates for Renminbi (being the base currency of the Sub-Fund) against other currencies, including US dollars and Hong Kong dollars, are susceptible to controls or movements based on external factors (including but not limited to different market and regulatory conditions) which may adversely affect the overall performance of the Sub-Fund.

Other risks - Investment in the Sub-Fund is subject to interest rate risk and relevant PRC tax considerations. Investors should refer to the relevant risk factors in the main part of the Explanatory Memorandum.

Available Classes

The following classes of Units are available for sale to the retail public (which are collectively referred to as "Class A" Units) in Hong Kong.

Class	Class Currency
Class A RMB	RMB
Class A HKD	HKD
Class A USD	USD

The Manager accepts payment of subscription moneys in the class currency of the relevant Units.

It is the Manager's intention to maintain a substantial portion of investments of the Sub-Fund in RMB denominated and settled Income Instruments and RMB bank deposits. Where an investor subscribes for Units denominated in a non-RMB currency, the Manager may convert part or all of such subscriptions into RMB prior to investment at the applicable exchange rate. As RMB is not freely convertible, currency conversion is also subject to availability of RMB at the relevant time (i.e. it is possible there is not sufficient RMB for currency conversion in case of sizeable subscriptions). Further, where cleared subscription proceeds have not been received by the Trustee, it may not be possible to conduct currency conversion immediately on the relevant Dealing Day.

As such, the Manager has the absolute discretion to reject any subscription application made in non-RMB currency funds (whether such application is in relation to a class denominated in RMB) where it determines that there is not sufficient RMB for currency conversion.

Investment Minima

Minimum Subsequent Subscription Amount	Class A RMB: RMB10,000 Class A HKD: HKD10,000 Class A USD: USD1,000
Minimum Holding Amount	Aggregate minimum value of Units held: Class A RMB: RMB10,000 Class A HKD: HKD10,000 Class A USD: USD1,000
Minimum Redemption Amount	Aggregate minimum value of Units redeemed: Class A RMB: RMB10,000 Class A HKD: HKD10,000 Class A USD: USD1,000

Fees

Fees payable by investors

Preliminary Charge (% of total subscription amount received)	Class A: up to 5.0%
Redemption Charge (% of Redemption Price)	Class A: nil
Switching Charge (% of total amount being switched into)	Not applicable (switching currently is not permitted)

Fees payable by the Sub-Fund

Management Fee (% Net Asset Value of the Sub-Fund)	Class A: 1.0% p.a.
Trustee Fee (% Net Asset Value of the Sub-Fund)	Class A: 0.175% p.a., subject to a minimum monthly fee of RMB40,000.00
Custody Fee (% Net Asset Value of the Sub-Fund)	Up to 0.025% p.a.
Performance Fee (% Net Asset Value of the Sub-Fund)	Nil

Establishment Costs

The costs of establishment of Ping An of China Select Investment Fund Series and Ping An of China SIF- RMB Bond Fund (initial Sub-Fund) have been described in the main part of the Explanatory Memorandum.

Dealing Day

Every Business Day.

Dealing Deadline

4:00 p.m. (Hong Kong time) on the relevant Dealing Day. The Authorised Distributor(s) may impose an earlier cut-off time before the Dealing Deadline for receiving instructions for subscriptions, redemptions or switching. Investors should confirm the arrangements with the Authorised Distributor(s) concerned.

Subscription, Redemption and Switching of Units

For details regarding the procedures for subscription, redemption and switching, see the main part of the Explanatory Memorandum under “Purchase of Units”, “Redemption of Units” and “Switching between Sub-Funds”.

Switching of Units

Switching of Units of any class in the Ping An of China SIF- RMB Bond Fund to or from Units of any other classes of other Sub-Funds (if any) of Ping An of China Select Investment Fund Series is not permitted.

Distributions

The Manager has discretion as to whether or not to make any distribution of dividends, the frequency of distribution and amount of dividends. In the event that the Manager decides to make distribution of dividends, the distribution entitlements will be automatically re-invested in further Units of the Sub-Fund for the account of the Unitholder entitled to the distribution, unless instructions in writing to the contrary are received from the Unitholder at least 21 days prior to the relevant distribution date. It is currently intended that distributions will be made on a semi-annual basis (i.e. June and December each year) in the class currency of the relevant class. There is no guarantee of regular distribution and if distribution is made the amount being distributed. It is the current intention of the Manager that only the net income (the income net of expenses) of the Sub-Fund may be distributed. No distribution will be paid out of the Sub-Fund's capital.

Valuation

The Valuation Day will be each Dealing Day and the Valuation Point is the close of business in the last relevant market to close on each Valuation Day, the first Valuation Day being the first Dealing Day following the initial offer period.