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**Ping An Nasdaq 5HANDL* ETF (*A trademark of Nasdaq and its licensors) (Stock Code: 3198)
(the “Sub-Fund”)**

a sub-fund of the Ping An of China Trust (the “Trust”)
(a Hong Kong unit trust authorized under
section 104 of the Securities and Futures Ordinance
(Cap. 571 of the laws of the Hong Kong SAR))

Announcement Change of Underlying Index Methodology

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

The manager of the Trust and the Sub-Fund, Ping An of China Asset Management (Hong Kong) Company Limited (the “**Manager**”), announces that, with effect from 20 December 2021 (the “**Effective Date**”), the Index Provider has introduced certain changes to the index methodology of the underlying index of the Sub-Fund (the “**Underlying Index**”), as described in this Announcement.

The Underlying Index consists of the core portfolio (“**Core Portfolio**”) and the explore portfolio (“**Explore Portfolio**”). With effect from the Effective Date, some of the constituent selection criteria and weighting rules of the Underlying Index will be changed as follows:

	Existing rules	New rules
1.	The Core Fixed Income Component shall be allocated on an equal weight basis to the three U.S. aggregate fixed-income ETFs that have the lowest expense ratios after waivers.	The Core Fixed Income Component shall be allocated on an equal weight basis to the three largest (by asset under management (“ AUM ”)) U.S. aggregate fixed-income ETFs that have no maturity limitations.
2.	50% of the equity component of the Core Portfolio is allocated on an equal weight basis to the three U.S. large cap equity ETFs that have the lowest expense ratios after waivers.	50% of the equity component of the Core Portfolio shall be allocated on an equal weight basis to the three largest (by AUM) ETFs that tracks U.S. large cap stocks with approximately 500 constituents and weighted by market capitalisation.
3.	The Explore Portfolio will includes eight categories of ETFs (each an “Explore Category”).	The Explore Portfolio will include the following four additional Explore Categories: <ul style="list-style-type: none"> (i) Covered Call – ETFs that provide exposure to indexed covered call portfolios based on either the S&P 500 Index or NASDAQ-100 Index; (ii) MLPs – ETFs that provide exposure to master limited partnerships; (iii) Active Fixed Income – actively managed fixed income ETFs; and (iv) Preferred Securities – ETFs that provide exposure to domestic preferred securities.
4.	In selecting the ETF to represent each Explore Category, notwithstanding the default rule (which is that each Explore Category shall be represented by the largest ETF (by AUM) in the relevant category), an ETF that is not the largest ETF (by AUM) in its Explore Category shall nonetheless represent the category if it has an expense ratio after waivers at least 20% lower than the largest ETF (by AUM) in that category. If multiple ETFs have an expense ratio after waivers at least 20% lower than the largest ETF (by AUM) in the relevant Explore Category, the ETF with the lowest expense ratio after waivers shall represent that	In selecting the ETF to represent each Explore Category, notwithstanding the default rule (which is that each Explore Category shall be represented by the largest ETF (by AUM) in the relevant category), an ETF that is not the largest ETF (by AUM) in its Explore Category shall nonetheless represent the category if (i) it has an expense ratio after waivers at least 20% lower than the largest ETF (by AUM) in that category and (ii) it has a 30-day average daily trading volume of at least 20,000 shares. If multiple ETFs meet the aforementioned conditions, the ETF with the lowest expense ratio after waivers shall represent that category.

	category.	
5.	In respect of the Explore Portfolio, at each monthly rebalancing, the eight Explore Category constituents are weighted by their indicated annual dividend yield. If this results in one or more Explore Category receiving a weight in excess of 25%, the weight of that constituent will be capped at 25% with the excess weight redistributed proportionally across all uncapped constituents.	Within the Explore Portfolio, the ETF constituents will be weighted according to a linear weighting scheme, based on their relative strength matrix (“ Relative Strength Matrix ”) rank (“ RS rank ”): an ETF constituent’s weight is equal to its RS rank divided by the sum of all RS ranks. The Relative Strength Matrix system is further described in the revised prospectus in a newly added section headed “Relative Strength Matrix”.

The Manager will rebalance the Sub-Fund’s portfolio on or around the Effective Date to reflect the any changes to the Underlying Index composition.

For the avoidance of doubt, no other changes are made to the Underlying Index other than the above changes.

The investment strategy and risk profile of the Sub-Fund do not change. The Manager believes that (i) the changes do not amount to a material change to the Sub-Fund; (ii) there will not be any material change or increase in the overall risk profile of the Sub-Fund following the above changes; and (iii) the changes do not have a material adverse impact on holders’ rights or interests (including changes that may limit holders’ ability in exercising their rights).

The revised Prospectus and Product Key Facts Statement of the Sub-Fund reflecting the changes described above will be made available on or around the Effective Date on the Manager’s website at <http://asset.pingan.com.hk> (this website has not been reviewed by the SFC) and at the Manager’s office during normal working hours.

If you have any questions or require further information, please contact the Manager during normal working hours at Suite 2301, 23rd Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong or by telephone at (+852) 3762 9228.

Ping An of China Asset Management (Hong Kong) Company Limited
20 December 2021